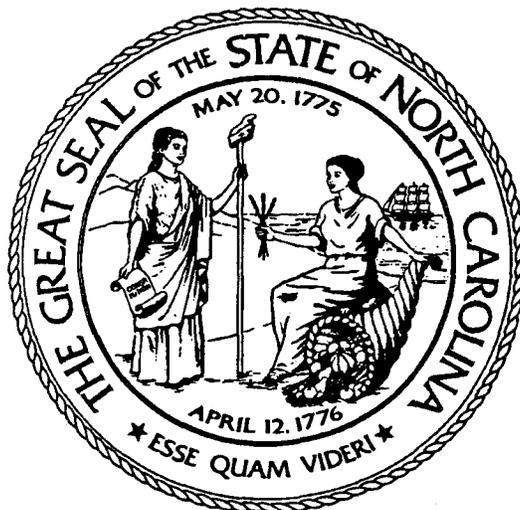


EDUCATION STUDY COMMISSION



REPORT TO THE 1991 GENERAL ASSEMBLY OF NORTH CAROLINA 1991 SESSION

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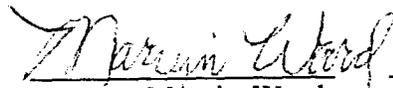
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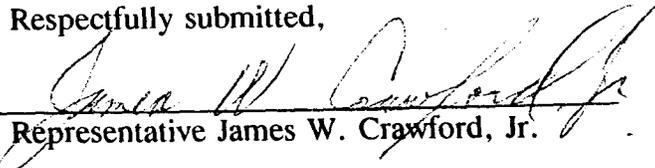
January 30, 1991

TO: President Pro Tempore of the Senate Henson P. Barnes
Speaker of the House Josephus L. Mavretic
Members of the 1991 General Assembly

Attached is the report of the findings and recommendations of the Education Study Commission, established by Part V of Chapter 802, 1989 Session Laws.

Respectfully submitted,


Senator Marvin Ward


Representative James W. Crawford, Jr.

Cochairs - Education Study Commission



EDUCATION STUDY COMMISSION BACKGROUND

The Education Study Commission was established by Part V of Chapter 802 of the 1989 Session Laws (H.B. 1616 - Warren of Pitt, H.B. 1377 - Bowman; S.B. 1254 - Ballance. S.B. 751 - Martin of Guilford.) The Commission is composed of 20 members. (See Appendix A for the membership as of the inception of the study.

The Commission's charge reads, in pertinent part:

"Sec. 5.4. The Commission shall:

- (1) Consider ways the systems could work together to reduce the amount of remediation that is done in the community colleges and the universities;
- (2) Examine the salary schedules for the public schools;
- (3) Consider ways the community colleges could assist the public schools with the dropout problem;
- (4) Examine current cooperative programs among the systems and consider ways to enhance concurrent enrollment programs;
- (5) Consider ways to improve the joint use of facilities, equipment, and faculty;
- (6) Consider ways the systems could work jointly to increase the number of high school graduates who continue on to either system of higher education;
- (7) Consider ways to more closely articulate the curriculums, especially in the technical and vocational areas, of the public schools and the community colleges;
- (8) Recommend both short range and long range funding solutions for the issues it studies;
- (9) Study whether North Carolina could make better use of its buildings and equipment by:
 - a. Using the public school bus fleet for other education transportation needs such as community colleges; and
 - b. Using the school buildings during the summer months by extending the school year beyond the present nine-month term;
- (10) Study issues and matters identified in Senate Bill 751 -- "State Educational Equity Grants" -- of the 1989 Session;
- (11) Study other methods of focusing on issues related to students at risk of academic and social failure so as to significantly increase the likelihood that all North Carolina students will graduate from high school with academic and social skills that will enable them:
 - a. To be well-rounded productive citizens, and
 - b. To be adequately prepared to handle the increasingly complex tasks that will enable them to successfully pursue and complete higher levels of academic and/or vocational education;

- (12) Study the feasibility of establishing a State and/or local government "Earn to Learn" program, the purpose of which would be to encourage and facilitate the enrollment of high school graduates in post-secondary institutions in North Carolina. In conducting this study, the Commission is encouraged to consider inclusion of the following components in the program:
 - a. Employment of high school graduates in State and local agencies, or other agencies, in or reasonably accessible to their places of residence; and
 - b. Development of a formula by which earnings and/or work credits can be applied to the cost of attendance at a State operated post-secondary institution;
- (13) Study the feasibility of establishing an educators hall of fame to honor North Carolina educators who have made significant contributions to the education of the citizens of this State; and
- (14) Receive and consider reports of other studies concerning the matters set out in this section and concerning related matters."

Further important background to the Commission's study is contained in Appendix B of this report.

COMMISSION PROCEEDINGS

The Commission met nine times. At its first meeting, the Commission moved to divide up into four permanent subcommittees , Subcommittee A, dealing with remediation, dropout prevention, and concurrent enrollment encouragement; Subcommittee B, dealing with joint use of resources; Subcommittee C, dealing with higher education encouragement; and Subcommittee D, dealing with Equity in Education. Subcommittees A and B were later merged. The minutes of the Commission meetings and of the Subcommittee meetings are presented in Appendix C. The list of the members of the Subcommittees at their inception and a list of the Commission's charges to the particular Subcommittees are given in Appendix D. A list of the people appearing before the Commission is contained in Appendix E.

The Commission heard the final Subcommittee reports at its December 1990 meeting and met on January 8, 1991, for the last time, to accept the recommendations and approve the draft proposals, which are contained in Appendix F of this report.



EDUCATION STUDY COMMISSION FINAL RECOMMENDATIONS

January 8, 1991

SUBCOMMITTEE A/B: REMEDIAION, DROPOUT PREVENTION, CONCURRENT ENROLLMENT ENCOURAGEMENT, JOINT USE OF RESOURCES

Recommendation 1, Dropout Prevention. The Commission recommends the introduction of a bill to do the following:

- (1) Direct the State Board of Education to encourage local units to explore alternative programs with Senate Bill 2 flexibility under the Performance-Based Accountability Program, to reduce dropouts;
- (2) Direct the Department of Public Education and the State Board of Community Colleges to adopt rules and procedures to provide more accurate, comprehensive, and timely data on high school dropouts, alternative placements, progress, and follow-through in alternative programs, to require that local school administrative units and the institutions of the Community Colleges system comply, and to use a standard measure of accountability;
- (3) Require the Department of Public Instruction conduct policy research on the issues of longer compulsory attendance, on the tying of the driver's license to staying in school, and the limiting of after-school employment hours, from those states that have implemented such changes;
- (4) Direct the Department of Public Instruction to reevaluate current attendance law to assess whether it is being adequately enforced.

(See Legislative Proposal 1.)

Recommendation 2. The Commission recommends that alternative methods to those legislative mandates and criminal penalties included in Senate Bill 1524 should be studied to achieve the resulted parental involvement in the child's school, such as cooperation between public schools and local industries and employers to allow leave time for regular visits. The Commission further recommends that existing methods to increase the involvement of parents and teachers in developing local school improvement plans under the Performance-based Accountability Program, and of increasing the involvement of teachers in approving such plans, should be explored to their fullest before new methods are considered.

(No legislation is required.)

Recommendation 3. Remediation. The Commission recommends that legislation be introduced to do the following:

- (1) Direct the State Board of Community Colleges and the Board of Governors of The University of North Carolina to continue progress in working towards cooperative agreements for the provision of local remediation;
- (2) Direct the State Board of Community Colleges to develop an appropriate reporting system to enable local community colleges to provide annual performance data to local high schools on their students that enter community colleges.

(See Legislative Proposal 2.)

Recommendation 4. Joint Use of Resources. The Commission recommends that legislation be introduced to do the following:

- (1) Direct the State Board of Community Colleges to develop a pilot project to model alternative transportation methods.
- (2) Authorize the State Board of Community Colleges to develop financial incentives, such as special funding ratios, to encourage the development of regional programs.

(See legislative Proposal 3.)

Recommendation 5. The Commission further recommends legislative support for the following:

- (1) Support for the State Board of Community Colleges' request to fund specialized technology centers as a cost-effective method for job training;
- (2) Support for the recodification of Vocational Textile School in Article 6 of Chapter 115D of the General Statutes, including the renaming of the School as the Center for Applied Textile Technology;
- (3) Support for the expansion of the year-round school programs.

(No legislation needed.)

SUBCOMMITTEE C: HIGHER EDUCATION ENCOURAGEMENT; ARTICULATION.

(Subcommittee C's four recommendations are given in decreasing order of priority.)

Recommendation 6. (Priority 1.) Tech. Prep. The Commission recommends the legislation be enacted to implement the Tech Prep program begun pursuant to sections 58 and 89 of Chapter 1066 of the 1989 Session Laws, Regular Session 1990, statewide, to continue funding for the Tech Prep Leadership Development Center, and to provide funds for planning and start-up grants for local school systems. The legislation should provide that federal funds from the Vocational Educational Act will provide funds for Tech Prep, and that these funds shall be used for these specified purposes.

(See legislative Proposal 4.)

Recommendation 7. (Priority 2.) High School/Community College/Higher Education Cooperative Programs; Articulation.

The Commission recommends the introduction of legislation to do the following:

- (1) Require the State Board of Community Colleges ensure that each community college with college transfer or associate degrees have articulation agreements with at least one four-year college in North Carolina;
- (2) Require the State Board of Education to include the availability of advanced placement courses and increases in the number of students successfully completing these courses as factors to be used in assessing school system performance;
- (3) Require the State Board of Education to expand the advanced placement program, to assure the availability of advanced placement courses for every qualified student, considering the following options:
 - a. Using funds for the academically gifted for advanced placement;
 - b. Providing training for advanced placement teachers;
 - c. Providing financial incentives to school systems for increases in participation in advanced placement;
 - D. Removing student barriers by paying advanced placement exam costs;
- (4) Fund the full implementation of pre-school programs for 'at-risk' students;
- (5) Require that the Board of Governors of The University of North Carolina, the State Board of Education, and the State Board of Community Colleges work closely with elementary schools to provide special help with language and mathematics skills for young students;
- (6) Require that the Board of Governors of The University of North Carolina, and the State Board of Community Colleges provide earlier college contacts for a broader range of students, in order to increase their understanding of campus environments and their awareness of college opportunities, and to require that local school administrative units cooperate;
- (7) Require that the Board of Governors of The North Carolina University of North Carolina expand its Pre-College Program in Mathematics and Science to reach more students geographically and to reach a broader base of students;
- (8) Require the State Board of Education, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina to consider efforts to provide earlier linkage of testing with those skills needed for college entry, as linkage of colleges and public schools in the 'mastery of skills' assessment process is critical for this concept's success;

- (9) Encourage summer academic experiences for more high school students and the expansion of leadership development opportunities for disadvantaged students;
- (10) Endorse the recommendation of the Legislative Research Commission Study Committee on Higher Education Opportunity, to introduce a bill entitled "AN ACT TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NORTH CAROLINIANS", and encourage the development of the Technical Scholars Program, as modeled by Sandhills Community College;
- (11) Require the State Board of Community Colleges and the Board of Governors of The University of North Carolina develop better transferability of courses and linkage of programs between community colleges and four-year colleges and universities, to enhance increased transfers from community colleges to four-year colleges and universities;
- (12) Urge the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the North Carolina Association of Private and Independent Colleges and Universities to make strong efforts to assess and remediate skills of students upon college entrance, to provide counseling, tutoring, and other support services needed by various groups of students, and to provide faculty mentoring for minority students and other groups not graduating at normal rates.

(See Legislative Proposal 5.)

Recommendation 8. (Priority 3.) Joint Educational Policy Goals. The Commission recommends encouraging the State Board of Education, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina to reach the joint goals adopted in March, 1990, through their allocation of human and fiscal resources, and to review, revise, and add to these goals, as needed.
(No legislation required.)

Recommendation 9. (Priority 4.) Reevaluation of Vocational Education. The Commission recommends endorsement in principle of the fact-findings of the Governor's Commission on Workforce Preparedness and its recommendations to go to two high school curriculum options by 1994-95: College Preparatory and Technical Preparatory, with both curricula stressing academic excellence.
(No legislation is required.)

SUBCOMMITTEE D. EQUITY IN EDUCATION

Recommendation 10. 'Small School/Small System' Equity. The Commission recommends that legislature be introduced to appropriate a minimum of \$11,900,000

for small school systems, those of 3,000 or fewer students, to provide an educational program roughly equivalent to the State-supported program offered in larger school systems. The Legislature shall appropriate these funds only with the assurance that that only the needy small systems receive the funds. The Legislature shall determine the methodology to determine need.

(See Legislative Proposal 6.)

Recommendation 11. School Construction Equity. The Commission recommends that legislation be introduced to use the \$10,000,000 per year currently appropriated to the State Critical Needs Fund and the approximately \$40,000,000 currently appropriated to the Public School Building Capital Fund to enable the State to issue general obligation bonds to finance school construction. The Legislature shall determine the formulae for distribution, including the match to be required by each particular county.

(See legislative Proposal 6.)

Recommendation 12. Across-System Equalization. The Commission recommends further intensive study of this issue and also recommends that any equalization formulae that are developed by such a study not be at the expense of high-wealth systems.

(No legislation required.)

Recommendation 13. Collateral Issues the force Needier Systems Even Further Behind.

- (1) The Commission recommends that a bill be introduced to appropriate \$16,000,000 each fiscal year to the Department of Human Resources, Division of Social Services, for the State Public Assistance Equalization Fund, to reduce the impact of mandated expenditures for Aid to Families with Dependent Children, Medicaid, and Special Assistance for Adults. This ensures that no county would be required to match State and federal welfare expenditures at a rate above the State average per residents, and would free up county money for schools.
- (2) The Commission recommends that a bill be introduced to require fiscal impact statements for proposed changes in State mandates that have the potential to impose financial burdens on county governments, especially with regards to the special impact on needy counties.

(See Legislative Proposal 6.)



APPENDIX A
Education Study Commission Membership
as of November 29, 1989



EDUCATION STUDY COMMISSION

<u>APPOINTEE</u>	<u>APPOINTED BY</u>
The Honorable Bobby Etheridge Superintendent of Public Instruction Education Building Raleigh, NC 27603 (919) 733-3813	Statute
Barbara Tapscott, Chairman State Board of Education 126-B Tapscott Lane Burlington, NC 27217 (919) 570-6060	Statute
The Honorable Robert Scott, President North Carolina Community College System Raleigh, NC (919) 733-7051	Statute
C. D. Spangler, President The University of North Carolina P.O. Box 2688 Chapel Hill, NC 27515-2688	Statute
Rep. J. W. Crawford, Jr., Co-Chairman 945 W. Andrews Avenue Henderson, NC 27536 (919) 492-0184	House
Rep. J. Fred Bowman 814 N. Graham-Hopedale Road Burlington, NC 27217 (919) 228-7521	House
Rep. Lois Walker 611 Woods Drive Statesville, NC 28677 (704) 873-4378	House
Mrs. Sandra Livesay 600 St. Patrick Tarboro, NC 27886 (919) 823-4918	House
Mrs. Pam Brewer 1280 Old Salem Road Roxboro, NC 27573 (919) 599-3440	House

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Linwood Harding Parker Box 878 Four Oaks, NC 27524 (919) 963-2074	Governor
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Sen. William Martin P.O. Box 21325 Greensboro, NC 27420 (919) 373-1108	Senate
Sen. J. Richard Conder P.O. Box 1627 Rockingham, NC 28379 (919) 997-5551	Senate
Mrs. Myra Copenhaver Route 2, Box 135 Goldsboro, NC 27534 (919) 735-3627	Senate
Mrs. Jane Johnson 1011 Harvey Street Raleigh, NC 27608 (919) 833-3354	Senate

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Jim Johnson - Fiscal Research
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Jim Newlin - Fiscal Research
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Becky Hedspeth - Clerk
733-5608



APPENDIX B
Background Materials



EDUCATION STUDY COMMISSION BACKGROUND

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EDUCATION

(Linda Kimbell, Barbara Riley)

RATIFIED LEGISLATION

Community Colleges

✓ **Community College building review** (HB 289; Chapter 58): House Bill 289 adds to the powers and duties of the Department of Administration (pursuant to G.S. 143-341) architectural and engineering review, supervision and inspection of all community college buildings requiring repair or construction estimated to cost \$50,000 or more. (G.S. 143-129). The act became effective July 1, 1989.

College telecommunications (HB 486; Chapter 451): House Bill 486 amends G.S. 62-110 adding a new subsection (e) providing that the North Carolina Utilities Commission may allow any telephone services offered by nonprofit colleges and universities, and their affiliated medical centers to be shared or resold if offered to students or guests housed in quarters furnished by the institutions, patrons of hospitals or medical centers of the institutions, or persons or businesses providing various services to the institution, its students, or guests. The act will allow these institutions to provide shared or resold services to noncontiguous premises and requires pricing of the access lines between the institutions and the local telephone company on the same basis as it is priced to the exception group in G.S. 62-110(d), presently on a flat rate basis. It permits the institutions to elect optional measured or message rate services. "Networking" of service between two or more different institutions is prohibited. The requirements for adequate access lines for good service and those regarding the rights and obligations of the local telephone company to serve individuals located on these premises remain the same as presently required by G.S. 62-110(d). The bill is effective upon ratification, June 26, 1989.

Community College Board term (HB 555; Chapter 521): House Bill 555 amends G.S. 115D-13 and provides for the extension of the regular term of trustees appointed in 1981 and 1987 for one year. The terms of one or more trustees elected under G.S. 115D-12 may be extended for one year if necessary to provide for staggered terms. As the terms of trustees currently in office expire, their successors shall serve four year terms. House Bill 555 also provides that, upon failure of a member to attend three consecutive scheduled meetings without justification, the board of trustees may declare the seat vacant and so notify the appointing authority. The act was effective upon ratification, June 29, 1989.

Wilson Tech name change (HB 747; Chapter 87): House Bill 747 Changes the name of Wilson County Technical College to Wilson Technical Community College. The act was effective upon ratification, May 4, 1989.

Dependent care payroll deduction (HB 1129; Chapter 458): House Bill 1129 authorizes a dependent care assistance program, as available under Section 129 of the Internal Revenue Code of 1986, for State agency employees (G.S. 143-34.1), community college employees (G.S. 115D-25.1), university employees (G.S. 116-17.1), and public school employees (G.S. 115C-441.1). State employers will

enter into annual contracts with employees to provide for a reduction in salaries. State employers electing to offer the program are authorized to enter into contracts with third parties to administer the program only upon a thorough and completely competitive procurement process. The act shall become effective January 1, 1990.

✓ **Youth services tuition waiver** (HB 1211; Chapter 162): House Bill 1211 extends the waiver for tuition and registration fees that the State Board of Community Colleges may provide for by rule to employees of the Division of Youth Services of the Department of Human Resources taking training courses. The act was effective July 1, 1989, and applies to tuition and fees due on or after that date.

State publication policy (SB 62; Chapter 715): Senate Bill 62 provides that the Department of Administration, in consultation with the State Librarian and the State Auditor, shall establish guidelines to be used by all State agencies and community colleges and in developing publication procedures manuals for public documents. Initial guidelines for the manuals are to be released by the DOA by December 1, 1989. The DOA shall report to the Joint Legislative Commission on Governmental Operations those State agencies and community colleges failing to timely adopt publication procedures manuals. The initial report is due January 1, 1991. The bill also directs the State Librarian and University Librarian to identify the types of publications that can use acid free paper and the feasibility of using such. Not later than June 1, 1990, the Administrative Office of the Courts shall adopt (1) a publications procedures manual for public documents other than the N.C. Supreme Court Reports and the N.C. Appellate Reports and (2) an administrative review and approval process for its public documents. The act was effective upon ratification, August 3, 1989.

Community College contract claims (SB 180; Chapter 40): Senate Bill 180 adds a new section to Article 8 of Chapter 143 providing for adjustment and resolution of community college board construction contract claims. The new section provides that a contractor who has not completed the contract and who has not received the amount he claims is due is to follow the claims procedure of G.S. 143-135.3(b). This section allows for a verified written claim to be submitted to the Director of the Office of State Construction for the amount due. The Director may deny, allow, or compromise the claim. A claim under this section is not a contested case under Chapter 150B. Contractors who have completed a contract but have not received the amount claimed must follow G.S. 143-135.3(c). This section requires the contractor to submit a verified written complaint to the Director within 60 days of receiving a final statement. The Director has 90 days to investigate. The Director may allow, deny, or compromise the claim. Contractors dissatisfied with the Director's decision may commence, within six months of the final decision, a civil action in Superior Court. The action shall be tried by the judge without a jury. No contested case proceedings under Chapter 150B are allowed. The provisions of G.S. 143-135.6(a), (b), and (c) must be included in all construction and repair contracts entered into by a board of a community college. Conflicting provisions are invalid. G.S. 143-135.6 applies only to those community college buildings subject to G.S. 143-341(3). The act is effective upon ratification, April 4, 1989, and applies to claims submitted after that date. The act does not apply to litigation pending as of effective date.

Elementary and Secondary

Teacher of Year on State Board (HB 53; Chapter 720): House Bill 53 designates the State Teacher of the Year a non-voting, advisory member of the State Board of Education, serving a two-year term. The act was effective when ratified, August 3, 1989.

School bus driver qualifications (HB 273; Chapter 558): House Bill 273 mandates that all school bus drivers be at least 18 years old. The effective date was July 1, 1989.

Dirpox **Alternative schools/programs (HB 355; Chapter 450):** House Bill 355 directs the State Board of Education to work with local governments and school administrative units to create alternative schools and school programs for chronically disruptive students. The act was effective when ratified, June 26, 1989.

School records/missing children (HB 567; Chapter 331): House Bill 567 requires school superintendents to flag the records of children reported missing. The school shall notify the agency requesting the flagging whenever information about the record or a copy of it is requested. When a child changes school systems, the new school must obtain a copy of the child's record from the former system or verify any records supplied by the child's parent or guardian. The effective date was August 15, 1989, and applies to records of children reported missing or transferring on or after that date.

Textbook adoption changes (HB 577; Chapter 798): House Bill 577 requires the State Board of Education to request sealed bids from the publishers of all books being considered for adoption. The Board is authorized to use \$240,504 of the funds appropriated to the Department of Public Education in 1989-90 and 1990-91 to implement the changes in the adoption textbook process. The effective date was July 1, 1989.

Repeal old certification laws (HB 578; Chapter 385): House Bill 578 repeals provisions requiring local school superintendents to sign and the local board to approve teacher certificates. The act was effective when ratified, June 21, 1989.

Amend special needs evaluation (HB 601; Chapter 388): House Bill 601 requires the written referral of a child for diagnosis and evaluation to be given to the child's teacher, principal, or local superintendent or designee. The local education agency will notify the parent or guardian in writing of the referral and request consent for the evaluation. The agency may request a due process hearing when consent is not given. The agency must convene an individualized education program committee to decide on the appropriate program within thirty days of a special needs determination. The program must be implemented within ninety days of the initial referral. The parent or guardian must be given a copy of the program proposal before consent for the child's participation is given. An evaluation of the appropriateness of a special needs designation and the child's particular program must be done every three years. The act was effective when ratified, June 21, 1989.

Teacher aides/teacher assistants (HB 674; Chapter 585): House Bill 674 redesignates as "teacher assistants" those public school support personnel previously known as aides or teacher aides. The act was effective on ratification, July 5, 1989.

Chemically dependent children (HB 679; Chapter 316): House Bill 679 specifies that drug and alcohol addicted children are not "children with special needs" and, therefore, are ineligible for the special programs available to children so designated. The act further directs the State Board of Education to ensure that chemically dependent children are provided with an appropriate education. The effective date was July 1, 1989, and applies to academic years beginning 1989-90.

Superintendent contract renewal (HB 1072; Chapter 339): House Bill 1072 clarifies that a county or city school superintendent's contract may be renewed or extended within the last twelve months of the contract. If new board members are to be appointed or elected during this twelve months, they must be sworn in before the contract can be renewed or extended. The act was effective on ratification, June 15, 1989, and made applicable to all contracts renewed or extended since July 1, 1985.

School Improvement Act (SB 2; Chapter 778): Senate Bill 2 directs the State Board of Education to develop a Performance Based Accountability Program in which local administrative units may participate beginning with the 1990-91 fiscal year. Units which take part are exempt from State-required reports and plans and staffing ratios of the State Accreditation Program. Units may include a differentiated pay plan for teachers and administrators and may have increased flexibility in the use of State funds. Local school units opting to participate must submit a local school improvement plan to the State Superintendent of Public Instruction before April 15 of the fiscal year preceding the fiscal year in which participation will begin.

The State Board is further directed to adopt end-of-course and end-of-grade tests for the third through twelfth grades. Annual report cards for participating local school administrative units will also be issued.

Funding for existing Career Development and Lead Teacher Pilot Programs is continued for the 1989-90 fiscal year. If the pilot schools submit local school improvement plans in 1989-90 and after, they may continue to receive Career Development or Lead Teacher funds.

The act was effective when ratified, August 12, 1989.

Public school personnel/salary increases (SB 44; Chapter 752): section 38 of Senate Bill 44 authorizes a 6% increase for superintendents, assistant superintendents, associate superintendents, supervisors, directors, coordinators, evaluators, program administrators, principals, and assistant principals for fiscal years 1989-90 and 1990-91. Increases in the 1990-91 fiscal year will be tied into the phase-in of a new salary schedule for administrators to be developed by the State Board of Education by April 1, 1990. The phase-in must be completed by June 30, 1994.

Teachers will receive an average increase of 6% in fiscal years 1989-90 and 1990-91, the first two years of a three-year phase-in of new salary schedules. The schedules have thirty steps equivalent to years of experience with each step separated by a 2% salary increment, except for steps three and four which are separated by a 5% increment. The schedules also provide for longevity payments of 2.5% of base salary after twenty-five years of State employment. The schedules for teachers with advanced degrees are 5% higher for a master's, 7.5% higher for a six-year certificate, and 10% higher for a PhD.

A 4% salary increase is authorized for noncertified employees, except school bus drivers, for fiscal years 1989-90 and 1990-91. An additional 2% is authorized each year for adjustments to bring salaries more in line with those of comparable State employees subject to the State Personnel Act. School bus drivers are authorized at least a 6% increase for fiscal years 1989-90 and 1990-91. The effective date was July 1, 1989.

Teacher training/learning disabled children (SB 44; Chapter 752): section 66 of Senate Bill 44 mandates that teacher education programs for students not majoring in special education include courses in the identification and education of children with learning disabilities. Regional Educational Training Centers are directed to provide in-service training for teachers in the identification and education of learning disabled children. The effective date was July 1, 1989.

Assignment of principals to smaller schools (SB 44; Chapter 752): Section 73 of Senate Bill 44 directs that a principal paid with State funds assigned to a lower job classification because of a transfer to a school with a smaller number of State-allotted teachers will receive the salary for the lower classification. The act is applicable to transfers on or after the effective date except those resulting from school-system mergers. The effective date was July 1, 1989.

Preliminary Scholastic Aptitude Test opportunities encouraged (SB 44; Chapter 752): Section 77 of Senate Bill 44 authorizes the State Board of Education to contract with the College Board to administer the Preliminary Scholastic Aptitude Test at State expense to every student in grades eight through ten who has completed, or is within one month of completion of, Algebra I. The effective date was July 1, 1989.

Administration of Department of Public Instruction budget (SB 44; Chapter 752): Section 78 of Senate Bill 44 gives the Superintendent of Public Instruction the responsibility to administer funds allocated to the Department and to enter into contracts for its operations. As Secretary to the State Board of Education, the Superintendent is given the authority to administer funds appropriated to the Department of Public Education. The effective date was July 1, 1989.

✓ **Civic Literacy Act (SB 109; Chapter 370):** Senate Bill 109 directs local school boards to require the teaching of the nation's founding, including the Declaration of Independence, the US Constitution and amendments, and the principle Federalist papers. Curriculum-based tests used statewide after the 1990-91 academic year must test knowledge of the nation's founding. A passing grade in all courses that include primary instruction in the Declaration of Independence, the US Constitution, and the Federalist papers is a requirement for high school graduation. The act was effective on ratification, June 21, 1989, and applicable beginning with the 1990-91 school year.

City manager on school board (SB 152; Chapter 49): Senate Bill 152 permits the manager of a city with fewer than 10,000 residents, located in two counties, with the county of the manager's residence not exceeding 40,000 to serve on the county board of education. The act was effective when ratified, April 10, 1989.

School employee on State Board (SB 403; Chapter 46): Senate Bill 403 authorizes no more than one public school employee to serve as an appointed member of the State Board of Education. The act was effective when ratified, April 6, 1989.

Special needs notice change (SB 430; Chapter 362): Senate Bill 430 requires written notice to the parent, guardian, or surrogate of a child when the local educational agency proposes to initiate or change the identification, evaluation, or placement of a child as a special needs child or refuses to do so. The notice must inform the parent, guardian, or surrogate of all procedural safeguards available and

offer the opportunity for mediation. The act was effective when ratified, June 20, 1989.

Educator annuity contracts (SB 600; Chapter 526): Senate Bill 600 authorizes local boards of education to purchase a qualified custodial account in mutual fund shares for a school employee funded through yearly salary-reduction agreements with the employee. The State Board of Community Colleges and the governing boards of State institutions of higher learning are authorized to do the same for their employees. The effective date is January 1, 1990.

Clerk may disqualify self (SB 897; Chapter 493): Senate Bill 897 authorizes a clerk of court to transfer a dispute between a local board of education and the board of county commissioners to superior court when the clerk determines the dispute cannot be arbitrated. The act was effective when ratified, June 28, 1989.

Mandatory drug education/K-12 (SB 1126; Chapter 801): Senate Bill 1126 requires the State Board of Education to develop a recommended list of alcohol and drug use prevention education materials and the Department of Public Instruction to develop curricular materials for use in the Basic Education Program. Local boards of education are required to implement drug and alcohol education prevention programs for kindergarten through sixth grade by the 1990-91 school year and for grades seven through twelve by the 1991-92 school year. The act was effective when ratified, August 12, 1989.

Higher Education

UNC-Charlotte parking deck (HB 557; Chapter 125): House Bill 557 authorizes the construction and financing, without appropriations from the General Fund, of a 1200 vehicle parking deck at the University of North Carolina at Charlotte. The act was effective upon ratification, May 23, 1989.

NC Memorial Hospital name (HB 584; Chapter 141): House Bill 584 changes the name of North Carolina Memorial Hospital to the University of North Carolina Hospitals at Chapel Hill. The act also makes changes to G.S. 116-37 regarding terms of the Hospitals' Board of Directors. Each of the nine persons serving on the board as of June 30, 1989, will be reassigned by the Board of Governors of the University to a different term ending June 30, 1989 through 1997. All members shall serve four-year terms. No person may be appointed to more than three four-year terms in succession or a four-year term if preceded immediately by 12 years of service and resignation shall not constitute a break in service. The act was effective upon ratification, May 25, 1989.

Private campus police change (HB 1156; Chapter 518): House Bill 1156 amends G.S. 74A-2 (Oath and powers of company police; exceptions) to authorize such officers to make arrests on portions of public roads passing through or immediately adjoining the campus. It also amends G.S. 74A-2 to authorize the board of trustees of a private college or university to enter into an agreement with the municipality to extend the campus officers' law enforcement authority into any or all of the municipality's jurisdiction and to enter into an agreement (apparently with county governing board) with the sheriff's consent to extend officers' authority into any or

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all of county's jurisdiction. The bill amends G.S. 160A-288 (Cooperation between law-enforcement agencies) and G.S. 160A-288.2 (Assistance to State law-enforcement agencies) to authorize the head of a private college or university law enforcement agency to provide temporary assistance to a municipal or county law enforcement agency and amends G.S. 15A-402(f) to permit private college and university police officers to make arrests outside their territorial jurisdiction if the arrest is made during the suspect's immediate and continuous flight from that territory. The act was effective October 1, 1989.

Optometry students (HB 1277; Chapter 321): House Bill 1277 clarifies that the practice of optometry by students enrolled in optometry schools approved by the State Board of Examiners of Optometry, when a part of the student's course of instruction under the direct supervision of a licensed optometrist and conducted pursuant to such rules that the Board may establish, does not violate the optometry licensure requirements. The act was effective upon ratification, June 14, 1989.

College grant budget transfer (SB 37; Chapter 56): Senate Bill 37 authorizes transfers among the 1988-89 General Fund appropriations to the University of North Carolina Board of Governors in order to provide full funding for both the Legislative Tuition Grant Program and the Contractual Scholarship Grant Program. The act was effective upon ratification, April 12, 1989.

UNC-CH Alumni Center amendments (SB 88; Chapter 30): Senate Bill 88 amends Section 2 of Chapter 899 of the 1985 Session Laws by increasing the amount authorized for the construction of the Alumni Center to \$12,150,300, on a wholly self-liquidating basis. The bill also authorizes additional means of financing and constructing the project. The project shall be exempt from the requirements of G.S. 143-128 (Separate specifications for building contracts). The act was effective upon ratification, March 29, 1989.

Board of Governors election (SB 156; Chapter 274): Senate Bill 156 amends G.S. 116-6(d) prescribing the procedure for elections to the UNC Board of Governors. Under the act each house would conduct its own elections for the positions on the Board of Governors assigned to it. Where there is more than one person seeking nomination, the slate of nominees shall contain at least two nominees for any vacancy. Elections shall be held during the first 30 legislative days after committee assignments. The act was effective upon ratification, June 12, 1989.

✓ **Student Loan Recovery Act (SB 254; Chapter 475):** Senate Bill 254 adds Chapter 105B to the General Statutes. The bill allows the State Education Assistance Authority to seek an order of withholding to enforce a judgment against a debtor in default on a student loan. The amount that may be ordered withheld may not exceed 10% of the debtor's monthly disposable earnings and may not reduce the debtor's family income to an amount at or below 200% of the federal poverty guidelines. The court shall not enter an order of garnishment unless the court makes findings of fact that the debtor's family income exceeds 200% of the federal poverty guidelines. The debtor may contest the withholding only on the basis of mistake of fact. Mistake of fact is specifically defined by the statute to be (1) the debtor is not person named in judgment; (2) the debtor has satisfied the judgment; (3) the debtor's monthly earnings or employer incorrectly stated in the Authority's motion; or (4) the debtor's family income is at or below 200%. The debtor may enter into an agreement with the Authority for repayment of the loan. Should such an agreement be reached, the Authority shall withdraw its motion for withholding. If the debtor's

employer willfully refuses to comply with the order to withhold the employer shall be held liable to the Authority for any amount which should have been withheld. Employers may not take disciplinary action against an employee or refuse to employ a person because of the withholding and are subject to civil penalties up to \$1,000 as a result of a violation. The act was effective October 1, 1989.

Scholarships for veterans' children (SB 383; Chapter 767): Senate Bill 383 broadens the coverage of the State Scholarship program for children of war veterans. The bill provides that the termination date of the Vietnam era shall be May 7, 1975. No education assistance under Article 4 of Chapter 165 of the General Statutes shall be afforded a child after the end of a ten year period beginning on the date the scholarship is first awarded. The scholarship entitlement limitation is 4 academic years. G.S. 165-22(3) is amended to provide that a scholarship may be awarded to children whose veteran parent is or was receiving compensation for a wartime service disability of 20% or more. G.S. 165-22(4) is amended to provide that a scholarship may be awarded to a child whose veteran parent is or was drawing pension for permanent and total disability, non-service connected, or not falling into the other eligibility classes, provided the child is less than 23 at the time of application for scholarship. The act was effective upon ratification, August 11, 1989.

✓ **UNC capital projects (SB 557; Chapter 501):** Senate Bill 557 authorizes construction and financing, without appropriations from the General Fund, of capital improvement projects at the constituent institutions of the UNC system as follows:

1. Appalachian State University	
Improvements to Student Housing Facilities	\$1,761,000
Parking Deck	4,054,600
2. East Carolina University	
Expansion of Radiation Oncology Center	7,812,100
Biotechnology Laboratory Building Completion	\$4,746,600
3. North Carolina State University at Raleigh	
Research and Technology Building	7,002,000
4. The University of North Carolina at Asheville	
Highsmith Center Renovation and Addition	3,001,800
300-Bed Residence Hall	5,357,500
5. The University of North Carolina at Charlotte	
Student Housing, Phase VI	8,445,600
University/Convocation Activities Center	5,677,300
6. The University of North Carolina at Greensboro	
Student Housing	6,310,600
7. The University of North Carolina at Wilmington	
200 Student Housing	4,317,300
8. Winston-Salem State University	
Cultural Arts Center	2,374,200

The act was effective upon ratification, June 29, 1989.

Education annuity contracts (SB 600; Chapter 526): Senate Bill 600 permits State employees of education personnel, including personnel for elementary and secondary schools (G.S. 115C-341), community college personnel (G.S. 115D-25), and university higher education personnel (G.S. 116-17) to purchase mutual fund shares in lieu of annuity contracts with funds received from a reduction in an employee's salary. The act shall become effective January 1, 1990.

UNC-CH self-liquidating projects (SB 693; Chapter 745): Senate Bill 693 authorizes the construction of a \$30 million dollar research facility by the University on the Chapel Hill campus to be leased to the Federal Environmental Protection Agency. The UNC Board of Governors may issue revenue bonds pursuant to G.S. 116-41.1 through G.S. 116-41.12 to finance the project. The Board may pledge the revenue derived from the project plus revenues derived from future improvements to the project to the payment of the bonds. The revenue bond shall be secured solely by the revenues and guarantees received by the federal government pursuant to the lease. The bonds shall not be deemed to be a debt of the State or a pledge of the full faith and credit of the State. The lease to the federal government must be approved pursuant to Article 7 of Chapter 146 of the General Statutes. In contracting for the project, the University shall be exempt from requirements of G.S. 143-128 (Separate specifications for Building Contracts).

The act also authorizes a capital improvements project by UNC-CH of a Visiting Investigative Facility for its Institute of Marine Services in Morehead City. Financing is authorized of \$106,000 to be met by sale of a house and lot located at 704 Bridges Street, Morehead City, in addition to any other gifts or grants, but not funds appropriated from the General Fund to the University. The act is effective upon ratification, August 9, 1989.

PENDING LEGISLATION

Elementary and Secondary

No school profanity (HB 531): House Bill 531 would add the use of profanity on the premises of an elementary or secondary school to the statutory prohibition against the use of profanity on public highways (G.S. 14-197).

No flat roofs on schools (HB 1137): House Bill 1137 would prohibit the use of State grants or loans for construction of school buildings with roofs with a lower pitch than that specified in the bill.

Speech pathologist certified (HB 1316): House Bill 1316 would require the standards for certification of speech pathologists and audiologists employed by the public schools to meet the minimum standards set for State licensure.

Higher Education

UNC Print Shops Study (HB 127): House Bill 127 would require the University of North Carolina to study the efficient use of University system printing facilities.

UNC in-state admissions (HB 1241): House Bill 1241 would allow persons with a status of a military dependent and eligible for in-state tuition rates to be considered an in-state applicant for purposes of admissions criteria.

Expand scholarship tax exemption (HB 325/SB 212): House Bill 325 would exempt from income tax scholarship funds for travel and related expenses for internships that require the recipient to live away from the educational institution.

UNC use State telephone network (SB 539): Senate Bill 539 would allow students at the constituent institutions of the UNC system to use the State telephone network.

DEFEATED LEGISLATION

Improve teacher education (HB 124): House Bill 124 would require UNC system institutions and private colleges which offer teacher training programs to provide more instruction in managing unruly students and to require special education courses. The bill failed second reading in the House.

Corporal punishment alternatives (HB 641): House Bill 641 would authorize the State Board of Education to select up to 16 administrative units to participate in a pilot program on alternatives to corporal punishment. The bill failed second reading in the House.

Teacher personnel file (HB 1126): House Bill 1126 would give a superintendent the authority not to include information known to be false, inaccurate, or misleading in a teacher's personnel file. The bill failed second reading in the House.

School lease-purchase (SB 728): Senate Bill 728 would allow a county to acquire property within a county for use by the local school administrative unit. The bill failed second reading in the Senate.

STUDIES

Independent study commissions: (1) Education Study Commission; and (2) Commission on Children with Special Needs.

Legislative Research Commission: Proprietary Schools.



1984 BUDGET DOCUMENTS



DEPARTMENT OF PUBLIC EDUCATION

Statutory Authority: General Statutes, Chapter 115C

The Department consists of a 13-member State Board of Education (11 members appointed by the Governor, plus the Lieutenant Governor and the State Treasurer); the superintendent serves as the secretary and chief administrative officer of the State Board of Education; and an appointed controller administers the fiscal affairs of the Board.

The major duties of the Department are to communicate the needs of public elementary and secondary education, to provide leadership and support services to public schools, to assure standards of quality for programs and personnel, and to equitably provide all pupils an opportunity to achieve their full potential.

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1989-90 General Fund	1990-91 General Fund
	\$2,903,557,650	\$2,921,007,601

1989 LEGISLATIVE ACTIONS

BASE BUDGET REDUCTIONS

1. Reductions in departmental personnel. Establish a negative reserve of \$1.5 million for the 1989-91 biennium.	\$ (750,000)	\$ (1,500,000)
2. Outside Evaluator Program Eliminate the Outside Evaluator Pilot Project in FY 89-90 instead of FY 90-91 as originally scheduled.	(3,543,617)	-
3. Adjust all appropriate salary, Social Security, retirement line items in the Public School Fund to reflect changes in average salary and average daily membership.	(20,764,146) 3,661,688	(20,920,635) 4,973,665
4. Division of Financial Services Reduce base budget by two (2) positions, plus travel as a result of reassessment of staffing needs under UERS.	(105,855) (2)	(105,887) (2)

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	1989-90	1990-91
	General	General
	Fund	Fund

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

5. Division of Financial Services Reduce maintenance Contracts.	\$(150,000)	\$(150,000)
6. Teaching Juniors Program Reduce in FY 89-90 and eliminate program in FY 90-91 due to low demand for scholarships.	(200,000) State Aid	(400,000) State Aid
TOTAL BASE BUDGET REDUCTIONS	\$(21,851,930)	\$(18,102,857)
TOTAL REVISED BASE BUDGET	\$2,881,705,720	\$2,902,904,744
TOTAL POSITIONS REDUCTION	(2)	(2)

INCREASE IN AVAILABILITY

1. Reduction in unemployment compensation trust fund.	850,000	-
2. Scholarship Loan Program Reduction to amount necessary to fund 200 scholarships.	2,400,000	500,000
3. Textbook Fund Reduction in excess funds.	3,500,000	-
TOTAL INCREASE IN AVAILABILITY GENERAL FUND	6,750,000	500,000

EXPANSION BUDGET

1. Basic Education Program		
a. Additional Teachers Positions	\$46,735,714 (1,556)	\$90,342,391 (3,007)
b. Vocational Education Teachers Positions	1,039,116 (33)	2,078,823 (66)
c. In-School Suspension Positions	-	1,726,921 (53)

1989-90 General Fund	1990-91 General Fund
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DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

d. Instructional Support Positions	\$15,477,126 (475)	\$39,113,549 (1,200)
e. Instructional/Lab Clerical Assistants Positions	-	17,073,432 (1,271)
f. Athletic Trainer Supplement	15,000	15,000
g. Assistant Principals - Extension of Term	-	11,166,375
h. Assistant/Associate Superintendents Positions	-	4,767,421 (89)
i. Clerical Assistants Positions	6,010,484 (311)	11,637,563 (602)
j. Supervisors Positions	-	2,611,375 (55)
TOTAL BASIC EDUCATION PROGRAM POSITIONS	69,277,440 (2,375)	180,532,850 (6,343)
2. Student Information Management System (SIMS) - Complete installation of SIMS in all elementary schools.	4,847,270 NR	4,858,475 NR
3. Uniform Education Reporting System (UERS) - Complete installation of Education Reporting system - uniform payroll and accounting systems.	925,943 NR	-
4. Transportation Information Management System (TIMS) - School bus routing and scheduling system.	1,675,000 NR	
	Stripper Well Funds	

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1989-90 General Fund	1990-91 General Fund
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DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

5.	Teaching Fellows Program. 400 additional scholarships per year. Completes four- year implementation of the program.	\$2,000,000 State Aid	\$4,000,000 State Aid
6.	Continue drug prevention programs funded in FY 88-89 with non-recurring funds.	750,000	750,000
7.	Strengthen teacher education program. Continue efforts by the State Board of Education and the Board of Governors to improve teacher education.	1,080,000	1,080,000
8.	Establish a model teacher consortium in conjunction with local school systems, Department of Public Instruction, and public and private institutions of higher education.	50,000 NR	-
9.	Adjust base budget to reflect actual data on average teacher salaries.	(3,210,000)	(6,840,000)
10.	Funds to develop curriculum materials and resources to be used to strengthen the drug and alcohol curriculum in the Basic Education Program.	97,850 NR	-
11.	Increase funding for the Drug Abuse Resistance Education Program to complement the expansion in the Department of Justice budget.	50,000 NR	-
TOTAL EXPANSION BUDGET		\$75,868,503	\$184,381,325
TOTAL OPERATING APPROPRIATIONS		\$2,957,574,223	\$3,087,286,069

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)
SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1989

Senate Bill 43

- Section 12 Abolish Outside Evaluator Program - Repeals the Outside Evaluator Pilot Project. Program was originally included in the recommended continuation budget by the Governor and the Advisory Budget Commission. No funds are appropriated for this purpose in the 1989-91 biennium.
- Section 13 BEP Funding Transfer - Reduces balance in the unemployment compensation reserve fund and allocates the funds through the Basic Education Program to local school units.
- Section 14 Dropout Prevention - Allows local school units increased flexibility in the use of dropout prevention funds and in requirements for in-school suspension programs provided waivers are granted by the State Board of Education.
- Section 15 Abolish Teaching Grant Program for College Juniors - Repeals the scholarship for third and fourth year college students who elect to enter teaching. Repeal was based on a recommendation from the Teaching Fellows Commission, and the lack of applicants for the scholarship.
- Senate Bill 44
- Section 55 Pupil Transportation - Authorizes the Department of Public Instruction to expend up to \$400,000 of school transportation funds to implement the findings of the Pupil Transportation Operational Study. Report to the 1990 session of the General Assembly.
- Section 56 Child Nutrition - Authorizes the Department of Public Education to expend \$280,000 in FY 1989-90 for staff development of school food service personnel.
- Section 57 Dropout Prevention Coordinators - Authorizes the Department of Public Instruction to expend up to \$225,000 in each year of the 1989-91 biennium to hire three dropout prevention coordinators to work with local school units.
- Section 58 Dropout Prevention - Authorizes the Department of Public Education to expend \$200,000 for each year of

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

the 1989-91 biennium to fund eight model public/private educational compacts to work with children at-risk of dropping out of school. Funds may also be used to fund parental involvement workshops.

- Section 59 **Teacher Scholarship Loans** - Authorizes the Superintendent of Public Instruction to designate up to \$200,000 in each year of the 1989-90 biennium as scholarships for teacher assistants enrolled in teacher training programs.
- Section 60 **Kindergarten Study** - Allocates \$24,000 to the Board of Governors of the University of North Carolina to study the impact of kindergarten education on subsequent school performance. Study will be carried out by the Collegium for the Advancement of Schools, Schooling, and Education at the University of North Carolina at Greensboro.
- Section 61 **Basic Education Program Funds** - Allocates funds in the 1989-91 biennium for the Basic Education Program in various categories such as teachers, instructional support personnel, clerical assistants, etc. See table on page - of this report for details.
- Section 62 **Foreign Language Institute** - Authorizes the State Board of Education to allocate up to \$300,000 in each year of the 1989-91 biennium to provide foreign language training to public school teachers.
- Section 63 **Assistant Principals** - Authorizes local school units to employ assistant principals for 10, 11 or 12 months. Local superintendents should distribute these positions as nearly as possible based on the average daily membership of the school. If the assistant principal is not employed beyond 10 months the additional funds may be used for the summer school programs. Report to the 1990 General Assembly.
- Section 64 **Coordination of Department of Human Resources/Department of Public Instruction Programs** - Superintendent of Public Instruction shall use funds appropriated to the Department of Public Instruction for the 1989-91 biennium to employ a person to coordinate programs for children between the public schools and the Department of Human Resources.

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

- Section 65 **Reduce Paperwork** - Requires the State Board of Education to review requirements for reports from local school units, and to reduce or eliminate any obsolete or duplicate reports. Local boards of education are also required to go through the same process and report the results of their to the State Board of Education prior to April 1, 1990. No additional reports can be required at the local level after the beginning of the school year without the prior approval of the local school board.
- Section 66 **Teacher Training/Learning Disabled Children** - Requires teacher training programs in institutions of higher education to include in the curriculum of non-special education majors, courses in the identification and education of children with learning disabilities.
- Section 67 **Accreditation/Accountability Funds** - Requires the State Board of Education to allocate, from funds appropriated for the Basic Education Program \$200,000 in FY 1989-90 and \$250,000 in FY 1990-91, to the Department of Public Instruction to implement performance standards that are part of the statewide accreditation program.
- Authorizes the Superintendent of Public Instruction to use up to \$150,000 in each year of the biennium of funds appropriated to the Department of Instruction for research and development.
- Section 68 **Use of Funds for Teachers** - Provides flexibility to local boards of education to utilize teaching positions allocated in the Basic Education Program for expanded curricular offerings at any grade level based on local schedules for implementing the BEP. Also allows local boards alternative methods of providing expanded programs under the BEP, subject to approval of the State Board of Education.
- Section 69 **Project Teach Funds** - Requires the State Board of Education to allocate \$73,000 in each year of the biennium to continue Project TEACH. The goal of Project TEACH is to increase the numbers of minority students entering the teaching profession.
- Section 70 **N.C. Symphony Audio-Visual Funds** - Requires the State Board of Education to allocate \$50,000 to the Department of Public Instruction for an audio-visual program of performances of the N.C. Symphony.

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

- Section 71 Principles of Technology Funds/Do Not Revert - Funds appropriated in previous fiscal years for the Principles of Technology Program do not revert until June 30, 1991.
- Section 72 Model Teacher Education Consortium - Establishes a model teacher training program in northeastern N.C. Participants include local school systems, area universities and colleges, and Vance-Granville Community College. The goal of the consortium to provide educational services to persons interested in becoming certified teachers, or in up grading the skills of existing teachers.
- Section 73 Assignment of Principals to Smaller Schools - Requires that when a state paid principal is reassigned to a smaller school that the state will pay only that salary level that would have been earned had the principal taught his entire career at the smaller school.
- Section 74 Existing Career Development Pilot Projects - Provides for extension of existing career ladder pilot projects, under the following conditions: Additional compensation paid to employees for participating in the pilot projects will be paid as a bonus; employees evaluated for Career Level I or II in the 1989 school year may be paid a bonus at the discretion of the local school board; no early promotions to Career Level II or III. The language in this provision is superseded by the more detailed language on the transition of Career Development Pilot Projects contained in Senate Bill 2, Chapter 778, Section 7 of the 1989 Session Laws.
- Section 75 Existing Lead Teacher Pilot Projects - Provides for extension of the existing lead teacher pilot projects in FY 1989-90. State Board of Education shall use up to \$250,000 of Career Development funds to continue the Lead Teacher Program. In 1990 these units come under the provisions of Senate Bill 2, Chapter 778 of the Session Laws.
- Section 76 Reduction of Vandalism in the Public Schools - Authorizes the Department of Public Instruction to use up to \$80,000 in each year of the biennium for salaries and support cost to develop plans and procedures to reduce vandalism of public school facilities.

DEPARTMENT OF PUBLIC EDUCATION (1989 ACTIONS, Continued)

Section 77 Preliminary Scholastic Aptitude Opportunities - Provides the opportunity for all students in grades 8-10, who have taken Algebra I, to take the PSAT one time at state expense. Superintendent of Public Instruction to report biennially on the implementation of this plan. The State Board of Education is authorized to expend \$365,000 in FY 1989-90 and \$396,000 in FY 1990-91 to implement this program.

Section 78 Administration of Department of Public Instruction Budget - Provides authority for the Superintendent of Public Instruction to administer the budget of the Department of Public Instruction, and to enter into contracts for the operation of the department. As Secretary to the State Board of Education the Superintendent administers funds appropriated for the operation of the board and for aid to local school administrative units.

Provision also divides the budget of the Department of Public Education between the Department of Public Instruction, Aid to Local School Administrative Units, and the State Board of Education.

Senate Bill 1309

Section 11 Braille Textbooks - State Board of Education may expend textbook funds to provide Braille textbooks to visually handicapped children.

Section 15 Plan for Implementation of Educational Programs for Certain Handicapped Children - Requires the Department of Public Education during the 1989 school year to begin planning for the implementation of programs for 3 and 4 year old handicapped children as required under PL99-457. Department must report to the General Assembly no later than May 1, 1990.

Section 29 Allocation of Basic Education Program Enhancement Teachers - Requires that no school unit receive fewer teachers for program enhancement under the Basic Education Program in 1989-90 than it received in 1988-89.

1989-90 General Fund	1990-91 General Fund
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DEPARTMENT OF COMMUNITY COLLEGES (1989 ACTIONS, Continued)

on current enrollment from \$75 to \$90 per quarter for in-state students and from : \$702 to \$840 per quarter for out-of-state students.	\$(4,868,460)	\$(4,868,460)
TOTAL OPERATING EXPANSION	\$13,336,189	\$11,131,540
TOTAL OPERATING APPROPRIATIONS	\$346,118,606	\$344,589,296

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1989

Senate Bill 43

- Section 16 Operating Appropriations/Not Used for Recreation
Extension - Requires recreation courses in the
Community College system to be self-supporting.

- Section 17 Books and Equipment Appropriations/Revert After One
Year - Gives community colleges two years to spend
books and equipment funds.

- Section 18 Assistance to Hospital Nursing/Fund Distribution -
Allocates \$850 per full-time nursing student for
financial support to hospital-based nursing
programs.

- Section 19 Management Support System - Requires the Department
of Community Colleges to report quarterly to the
Joint Legislative Commission on Governmental
Operations on its progress toward the development of
a management support system.

- Section 20 Stability of Funding - Appropriates full-time
equivalent (FTE) student enrollment funds based on
the last two years' actual enrollment or the
previous year's actual enrollment, whichever is
greater. It also provides that no college shall
receive less than 90% of the prior two-year's
average curriculum FTE enrollment.

- Section 21 Community College Trustees Training Course -
Encourages the Community College Trustees'

DEPARTMENT OF COMMUNITY COLLEGES (1989 ACTIONS, Continued)

Association to continue its training programs and to report on the number of participants and types of training provided.

Section 22 Literacy - Requires the State Board to develop specific policies for the literacy programs and to report them to the 1990 Session.

Section 23 Satellite Centers - Requires the State Board to provide greater oversight of and policies for the development of satellites and off-campus centers and to report these policies to the General Assembly.

Section 24 Student Accounting Study - Requires the community college, UNC and private college systems to develop a recommendation on a common method for counting student enrollments for purposes of receiving public funds.

Section 25 Regional Cooperation - Directs the State Board of Community Colleges and the Board of Governors to develop incentives to encourage regional cooperation among the community colleges and between community colleges and the UNC system.

Section 26 Community College Transfer of Credits Study - Requires a plan to be developed by the State Board of Community Colleges and the UNC Board of Governors to increase the number of community college credits that will transfer to the UNC system.

Section 27 FTE Accounting - Changes the census date for counting extension FTE to the same one used for curriculum.

Section 28 Maintenance of Plant Subsidy - Requires the State Board to study the current allocation formula used to distribute maintenance of plant funds and to recommend a more equitable method for distribution.

Senate Bill 44

Section 79 Tuition Increase - Increases tuition from \$75 to \$90 a quarter for in-state students and from \$702 to \$840 a quarter for out-of-state students.

Section 80 Accountability and Flexibility - Directs the State Board to define "Critical Success Factors" to measure progress in the community college system. In exchange for more accountability it provides the system with more budget flexibility.

DEPARTMENT OF COMMUNITY COLLEGES (1989 ACTIONS, Continued)

- Section 81 Full-Time Equivalent Teaching Positions/Community Colleges - Sets the faculty student ratio for curriculum programs at 1 to 21 and extension at 1 to 22.
- Section 82 Focused Industrial Training Program - Appropriates \$500,000 for each year of the biennium from the Worker Training Trust Fund to the Focused Industrial Training (FIT) program to continue it at the current level.
- Section 83 Retooling for the Year 2000: Gaining the Competitive Edge - Enacts into Chapter 115D the recommendations of the Commission on the Future of the Community College system for an Education Blueprint.
- Section 84 Literacy Allocation Basis - Directs the State Board to allocate literacy funds to the colleges on a more equitable basis, including providing incentives for performance.
- Section 85 North Carolina Employers Charged In-State Tuition - Allows in-state rates for out-of-state students if their North Carolina employer pays the tuition.
- Section 86 Literacy Transportation - Allows literacy funds to be used for literacy transportation. Also requires State Board of Community Colleges and Education to develop pilot projects using the public school transportation system for community college literacy programs. Also allows State Board to adopt rules governing use of equipment funds for purchase of vehicles.
- Section 87 Equine Instruction/Martin Community College - Allows Martin Community College to allow students under 16 to participate in equine instruction on a self-supporting basis.
- Section 88 Tuition/Public School Students Taking Community College Courses - Exempts high school students taking "Huskin's bill" or dual enrollment courses in community colleges from tuition.
- Section 89 Community College Reports - Requires State Board and local Boards to review all requests for data to make sure they are necessary and are not duplicative.

DEPARTMENT OF COMMUNITY COLLEGES (1989 ACTIONS, Continued)

Senate Bill 1042

- Section 13 Community College Capital Funds/Permanent - Makes the 1989-90 capital appropriations permanent so that they will not revert.
- Section 14 Expanded Focused Industrial Training Program - Appropriates \$350,000 in 1989-90 and \$500,000 in 1990-91 from the Worker Training Trust Fund to expand the focused industrial training program.

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS

Statutory Authority: General Statutes, Chapter 116

The Board of Governors is composed of thirty-two members elected for four-year terms by the General Assembly. The Board is required to plan and develop a coordinated system of higher education in North Carolina.

The President of the University of North Carolina is the chief administrative officer of the University. He establishes administrative organizations to carry out the policies of the University. In carrying out his duties and responsibilities the President is assisted by his staff officers and by the chancellors of the constituent institutions.

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1988-89 General Fund	1990-91 General Fund
	\$1,059,551,398	\$1,070,985,241

1989 LEGISLATIVE ACTIONS

BASE BUDGET REDUCTIONS

1. Reduce reserves for new facilities due to delays in construction completion.	\$(718,082)	\$(293,022)
2. Reduce funding for Regional Education contracts (a) Meharry Medical College Reduce contracts in medicine from 14 to 10 per year	(27,200) State Aid	(28,200) State Aid
(b) Optometry Contracts Reduce from 94 to 84 based on 78 used this year	(57,000) State Aid	(59,000) State Aid
3. Reduce number of positions at UNC-General Administration (4.0) and the campuses (16.0).	(508,061) (20)	(508,122) (20)
4. Eliminate continuing funding for 1988-89 one-time grant to Research Triangle World Trade Center.	(100,000)	(100,000)

	1989-90 General Fund	1990-91 General Fund
UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS		
(1989 ACTIONS, Continued)		
5. Eliminate proposed increase in aid to private medical schools.	\$(191,000) State Aid	\$(256,000) State Aid
6. Delay continuation funding for Distinguished Professors Endowment for one year due to current unmatched balance of \$2.9 million.	(2,000,000)	-
TOTAL BASE BUDGET REDUCTIONS	(3,601,343)	(1,244,344)
TOTAL POSITIONS REDUCTION	(20)	(20)
REVISED BASE BUDGET	\$1,055,950,055	\$1,069,740,897

EXPANSION BUDGET

1. Strengthen Teacher Education: Continue recommendation on Teacher Preparation at 1988-89 level for 1989-90.	1,500,000	1,700,000
2. Enrollment Increases: Funds most of projected increases in number of students for the University of North Carolina.	17,851,399	26,840,000
3. Elizabeth City State Scholarships: continues third and fourth year of Incentives Scholars Program began in 1987-88.	500,000	1,000,000
4. Aid to Private College Students: Increases Legislative Tuition Grant from \$1,100 to \$1,150 per student; increases need-based scholarship program from \$400 to \$450 per student.	2,649,431 State Aid	2,649,431 State Aid
5. Need-based scholarships for UNC students.	-	500,000

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1989-90
General
Fund

1990-91
General
Fund

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS
(1989 ACTIONS, Continued)

6.	Tuition Increase: To reflect in-state tuition increase which ranges from \$74 to \$100; and, to reflect an out-of-state tuition increase of 15%/2.4%. Receipts are budgeted on projected enrollment increases.		
	Requirements	\$-	\$-
	Receipts	19,957,190	22,401,672
	Appropriation	(19,957,190)	(22,401,672)
7.	Increase budgeted projections of overhead receipts at UNC-Chapel Hill and N.C. State to a level equal to 1988-89 actual amounts, and budget the General Fund portions (30%) of these receipts. These funds would otherwise revert.		
	N.C. State		
	University 370,000	316,000	
	UNC-		
	Chapel Hill 688,966	688,966	(1,058,966) (1,004,966)
8.	Increase budgeted receipts at University of North Carolina Hospitals at Chapel Hill by \$250,000 and reduce appropriations by a like amount.	(250,000)	(250,000)
9.	N.C. School of Science & Math - Begin implementation of salary plan for teaching faculty and administration.	201,000	302,000
10.	Agricultural Programs: Funds reserve for expansion of Agricultural Research and Extension at N.C. State.	500,000	500,000
11.	Support to match grant from the United States Department of Agriculture for N.C.		

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1989-90
General
Fund

1990-91
General
Fund

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS
(1989 ACTIONS, Continued)

Agricultural and Technical University's agriculture : programs.	\$600,000 NR	\$-
12. Support for equipment needs at University of North Carolina at Charlotte's Applied Research Center.	1,000,000 NR	-
13. Support for the Bringing It All Back Home Study Center at Appalachian State University to allow the Center to continue its home remedies community- based alternatives program for undisciplined juveniles and their families.	41,000	41,000
14. Reserve to be available for continuing operations of the Regional TEACCH Center which serves the Greensboro, High Point, and Winston-Salem areas.	318,966	318,966

STUDY COMMISSION ON NURSING

1. Fund portion of recommendations which will not become part of the continuation budget.	805,000 NR	330,000 NR
2. Nursing Implementation: Funds a portion of recommendations of Study Commission on Nursing to increase supply of nurses and enhance nursing profession.	1,210,000	3,010,000

TOTAL GENERAL FUND EXPANSION BUDGET	\$5,910,640	\$13,534,759
TOTAL OPERATING APPROPRIATIONS	\$1,061,860,695	\$1,083,275,656

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UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS
(1989 ACTIONS, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1989

Senate Bill 43

- Section 33 Funding Levels for Institutions - Requires UNC Board to review variations in funding levels of different campuses, including costs by type of program and level of instruction.
- Section 34 Management Incentives - Requires UNC Board and State Budget Office to review the need for management incentives and flexibility in budgeting at the campus level.
- Section 36 Retention and Graduation Rates - Requires UNC Board to report to the General Assembly on differences in retention and graduation rates on UNC campuses.
- Section 37 Remediation - Requires UNC Board and Community College Board to study the cost of remediation and its role in providing educational opportunity. Directs UNC, Community Colleges, and public schools to develop plan for sharing information on student performance and records.

Senate Bill 44

- Section 94 Accountability - Directs UNC Board to require campuses to show how they will measure institutional effectiveness, including student and faculty development.
- Section 95 Financial Aid for Post-Secondary Education for Part-Time Students - Directs that State-funded need-based financial aid programs shall be available to part-time students enrolled for at least 3 credit hours.
- Section 96 Teacher Task Force Recommendations/Funds - Directs areas of expenditure and annual reports on funds appropriated to improve teacher education.
- Section 97 Centennial Observance Funds - Directs that overhead receipts balances held by General Administration be allocated in an amount not to exceed \$100,000 for centennial observance at North Carolina Agricultural

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS
(1989 ACTIONS, Continued)

and Technical State University and \$50,000 for
centennial observance at Western Carolina
University.

Senate Bill 1042

Section 15 UNC Extension Fees/Charges Review - Directs UNC
Board to review policies on charges for off-campus
courses.

Senate Bill 1177

Section 4 Center for Alcohol Studies Endowment - Increases
driver's license restoration fee for licenses
revoked for driving while impaired by \$25, with
additional money going to the Center for Alcohol
Studies Endowment at UNC-Chapel Hill until amount
from this source totals \$5,000,000.

1989-90
General
Fund

1990-91
General
Fund

CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)

UNIVERSITY

1. : Board of Governors:

(a) Partial Funding for Remaining Projects of 1988 Supplemental Requests	\$10,000,000	\$-
(b) Reserve for Repairs/Renovations; Utilities, Repairs and Improvements; Roads, Walks, and Drives; and, OSHA and Barrier	6,000,000	-
(c) Reserve for Land Acquisition	1,000,000	-
(d) Reserve for Area Health Education Centers - Construction Grants	1,500,000	-

2. Appalachian State University

(a) Academic Support Services Building - Planning	1,000,000	-
(b) Student Activities Center (Project one-half self liquidating)	3,000,000	-

3. East Carolina University - Academic

(a) Addition to Joyner Library - Planning of \$1.0 M and Construction Reserve of \$6.0 M	7,000,000 ⁹	-
(b) Center for Regional Advancement (dollar for dollar match required) - Planning	1,000,000 ^r	-

4. East Carolina University - Medical School

(a) Vivarium Addition - Planning	364,000	-
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	1989-90 General Fund	1990-91 General Fund
CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)		
5. Elizabeth City University		
(a) Supplement for Dorm Renovations/Repairs - Planning	\$131,000	\$-
6. Fayetteville State University		
(a) Indoor Health/Physical Education Facility	8,000,000	1,677,800
7. N.C. Arboretum		
(a) Projects as outlined in Board of Governor's Request	1,250,000	-
8. N.C. Central University		
(a) Conversion of Women's Gym to Data processing Center - Planning	158,000	-
9. N.C. State University		
(a) Engineering Graduate Research Center Reserve	6,000,000 ⁹	-
(b) Agricultural Programs - Laboratory Animal Facilities - Planning	200,000	-
(c) Centennial Campus Center - Matching Funds	2,000,000	-
10. Pembroke State University		
(a) Administration Building - Planning	276,000	-
11. University of North Carolina at Asheville		
(a) Conference Center Reserve	4,000,000 ⁹	-

	1989-90 General Fund	1990-91 General Fund
CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)		
(b) Renovations and/or addition to the Kellogg Center in Henderson County.	\$200,000	\$-
12. University of North Carolina at Chapel Hill		
(a) Building for School of Social Work Reserve	4,140,500 ^a	-
(b) School of Business - Planning \$1.0 M/; Construction Reserve of \$6.5 M (\$5.0 M match required)	7,500,000 ^a	-
13. University of North Carolina Hospitals at Chapel Hill		
(a) Fire Alarm/Sprinkler System Upgrade	4,003,100	-
14. University of North Carolina at Charlotte		
(a) Classroom/Academic Support Facility Planning	840,000	-
15. University of North Carolina at Wilmington		
(a) Physical Sciences Building/ Renovation of DeLoach Hall	656,000	-
16. Western Carolina University		
(a) Completion of Belk Building/ Asbestos removal - Planning	76,000	-

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1989-90
General
Fund

1990-91
General
Fund

CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)

17. Winston-Salem State University

(a) Student Services/Cafeteria/
Student Union Complex (Project
one-half self liquidating) -
Planning

305,000

TOTAL UNIVERSITY

\$70,599,600

\$1,677,800

GRAND TOTAL - CAPITAL OUTLAY

\$245,264,593

\$65,515,494

- a. Section 16, S1042, Chapter 754 requires that funds be divided equally each year between the 3rd and 11th Congressional Districts for purpose shown. Funds are to be used for fees, advance planning, site improvements, and construction costs. Funds allocated are also to be used for the employment of one time-limited project manager position and administrative expenses.
- b. Department of Commerce was reorganized as the Department of Community and Economic Development
- c. Section 13, S1042, Chapter 754 states that Community Colleges' capital funds are not to revert.
- d. Section 12, S1042, Chapter 754 requires that land purchased for this facility in Perquimans County be deeded to the State.
- e. Section 19, S1042, Chapter 754 allows use of funds for construction or renovation of public library facilities. Grant maximum is \$50,000 and a local dollar-for-dollar match is required. Land may be considered for match requirement.
- f. Section 10, S1042, Chapter 754 limits allocation for any one area mental health center to \$500,000.
- g. Section 36, S1042, Chapter 754 permits the use of receipts to construct a regional forestry headquarters facility on the Buncombe County site with force account construction and labor not to exceed the value of \$150,000.

	1989-90 General Fund	1990-91 General Fund
CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)		
4. Purchase of Harborside Building - : Maritime Museum at Beaufort	\$355,000	\$-
5. Piedmont Triad Market - Planning for First Phase of Development (HB 7)	500,000	-
6. Museum of Natural Science - Planning Special Provision: Directs that funds from Reserve for Advance Planning be Used - Approximately \$300,000 is Available	-	-
TOTAL AGRICULTURE	\$8,275,600	\$-

COMMERCE^b

1. Hazardous Waste Treatment Reserve - Land Acquisition	2,000,000	-
2. State Ports Authority		
(a) Wilmington	3,000,000	-
(b) Morehead City	3,000,000	-
3. Biotechnology Center - Grant for Construction (dollar for dollar match required)	1,000,000 State Aid	-
TOTAL COMMERCE	\$9,000,000	\$-

COMMUNITY COLLEGES^c

1. Completion of Funding for Original 1984 Five Year Capital Needs Plan		
(a) Cape Fear Community College	500,000	-

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	1989-90 General Fund	1990-91 General Fund
CAPITAL IMPROVEMENTS - 1989 SESSION (Continued)		
(b) Catawba Valley Community College	\$650,000	\$-
(c) Caldwell Community College and Technical Institute	100,000	-
(d) Randolph Community College	1,200,000	-
(e) Halifax Community College	410,459	-
(f) Isothermal Community College	461,000	-
2. Repayment of Loans	850,000	-
3. Central Piedmont Community College - Completion of Facility for Optical Disc Program	400,000	-
TOTAL COMMUNITY COLLEGES	\$4,571,459	\$-

CORRECTION

1. Reserve for electrical, heating ventilating repairs at various field units	341,700	347,800
2. Reserve for repair and renovation of plumbing at 51 field units	-	517,600
3. Harnett Medium Custody - Renovate present dorms - safety, plumbing, ventilation, roofs, add day rooms	710,700	-
4. Waste Water and Water Improvements	1,832,600	133,400
5. Morrison Youth - Fencing for Edwards Dorm	55,200	-
6. Renovate Dorm A at NCCIW for Substance Abuse	-	62,800

SELF-LIQUIDATING/RECEIPT SUPPORTED PROJECTS
OF THE
UNIVERSITY SYSTEM

	<u>1989-90</u>	<u>1990-91</u>
University of North Carolina Hospitals at Chapel Hill		
1. Administration Office Building	\$ 8,774,200	\$-
University of North Carolina at Chapel Hill		
1. Alumni Center - Increased scope from \$6,967,000 to \$12,150,300 (SB 88)	5,183,300	-
2. Research Facility to be leased by the United States Government for use by the Environmental Protection Agency (SB 693)	30,000,000	-
3. Institute of Marine Sciences - Visiting Investigator Facility (SB 693)	106,000	-
University of North Carolina at Charlotte		
1. Parking Deck (1,200 vehicles)	7,604,000	-
2. Student Housing, Phase VI	8,445,600	-
3. University/Convocation Activities Center	5,677,300	-
Appalachian State University		
1. Improvements to Student Housing Facilities	1,761,000	-
2. Parking Deck	4,054,600	-
East Carolina University		
1. Expansion of Radiation Oncology Center	7,812,100	-
2. Biotechnology Laboratory Building Completion	4,746,600	-

	<u>1989-90</u>	<u>1990-91</u>
North Carolina State University Research and Technology Building	\$7,002,000	\$-
University of North Carolina at Asheville		
1 Highsmith Center Renovation and Addition	3,001,800	-
2 300-Bed Residence Hall	5,357,500	-
University of North Carolina at Greensboro		
1 Student Housing	6,310,600	-
University of North Carolina at Wilmington		
1 200 Student Housing	4,317,300	-
Winston-Salem State University		
1 Cultural Arts Center	2,374,200	-
TOTAL	\$112,528,100	\$-

GENERAL FUND APPROPRIATIONS FOR CAPITAL IMPROVEMENTS
(Includes Revenue Sharing Funds)

	Total Direct Appropriation	University	Community Colleges	Correction	Human Resources	State Ports	Repair and Renovation Reserve	Clean Water Program	Other
1965-67	42,139,578	25,233,600	1,943,578	851,000	8,144,000	1,752,500	—	—	4,214,900
1967-69	112,356,788	65,839,600	1,367,813	4,200,000	20,830,000	4,490,000	—	—	15,629,375
1969-71	75,588,603	36,508,921	—	500,000	14,936,582	—	—	—	23,643,100
1971-73	64,891,192	24,885,500	3,420,000	691,000	16,176,572	—	—	—	19,718,120
1973-74	191,822,446	81,246,000	25,418,187	5,649,000	25,834,434	8,295,000	—	—	45,379,825
1974-75	93,365,337	11,571,000	10,000,000	19,810,100	4,259,887	3,800,000	—	—	43,924,350
1975-76	28,662,437	11,360,500	—	6,000,000	5,421,112	—	—	—	16,723,051
1976-77	45,096,295	26,402,500	1,600,000	40,000	7,839,420	—	—	—	9,214,375
1977-78	31,332,626	9,540,000	1,000,000	4,750,000	3,575,000	2,265,000	—	—	10,202,626
1978-79	126,008,818	49,751,700	1,000,000	45,700,000	8,735,000	815,000	—	—	20,007,118
1979-80	84,378,719	59,195,800	2,616,838	4,500,000	4,916,500	2,700,000	—	—	10,449,581
1980-81	103,807,712	53,536,000	4,024,820	21,300,000	3,095,000	4,800,000	—	—	17,051,892
1981-82	30,005,727	7,309,903	175,000	970,000	4,747,000	—	—	—	16,803,824
1982-83	65,772,358	47,458,936	125,000	8,700,000	5,018,000	—	—	—	4,470,422
1983-84	59,782,244	35,815,440	255,000	—	200,000	—	15,000,000	—	8,511,804
1984-85	212,535,238	107,817,200	26,395,700	50,000	1,420,000	—	60,000,000	—	16,852,338
1985-86	253,504,234	64,636,900	21,374,500	11,704,300	5,764,600	—	34,000,000	60,000,000	56,023,934
1986-87	297,667,245	86,993,750	34,376,600	30,400,338	11,666,223	—	34,000,000	60,000,000	40,230,534
1987-88 Rev.	173,170,035	63,168,200	25,888,125	2,265,000	4,510,563	19,900,000	15,288,200	5,700,000	36,449,947
1988-89	258,659,030	94,798,900	29,521,726	18,965,391	6,388,300	16,000,000	2,184,300	25,800,000	65,000,413
1989-90	245,264,593	70,599,600	4,571,459	53,887,134 ^a	6,225,160	6,000,000	7,922,880	10,000,000	86,050,400
1990-91	65,515,494	1,677,800	—	33,115,694 ^a	—	—	—	—	30,722,000

^aIncludes Corrections projects and Satellite Jail program certified to Office of State Budget and Management

NORTH CAROLINA STATE GENERAL FUND OPERATING APPROPRIATIONS
FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND HIGHER EDUCATION
1965-66 TO 1988-89

Year	General Fund Total Current Operations	Public Schools		Community Colleges		Higher Education		Percent of Total Gen. Fund Current Oper. for Education
		Amount	Percent	Amount	Percent	Amount	Percent	
1965-66	\$538,302,356	\$315,924,120	58.69%	\$11,626,558	2.16%	\$70,177,054	13.04%	73.89%
1966-67	591,139,328	335,127,904	56.69	20,078,492	3.40	78,559,545	13.29	73.38
1967-68	670,679,218	371,207,691	55.34	19,625,725	2.93	95,037,544	14.17	72.44
1968-69	744,733,486	406,208,538	54.54	32,436,358	4.36	104,894,567	14.08	72.98
1969-70	876,169,359	459,814,709	52.48	41,431,965	4.73	130,344,741	14.88	72.09
1970-71	981,127,808	510,055,771	51.99	44,935,256	4.58	147,326,678	15.02	71.59
1971-72	1,073,289,571	533,536,652	49.71	55,958,450	5.21	163,331,175	15.22	70.14
1972-73	1,187,443,130	575,012,350	48.42	63,193,535	5.32	179,910,706	15.15	68.89
1973-74	1,520,694,407	718,947,864	47.28	99,582,404	6.55	222,838,796	14.65	68.48
1974-75	1,698,417,672	789,391,908	46.48	109,218,752	6.43	280,638,400	16.52	69.43
1975-76	1,737,659,496	800,937,335	46.09	105,465,494	6.07	270,526,549	15.57	67.73
1976-77	1,962,976,606	899,151,043	45.81	116,481,854	5.93	307,123,340	15.65	67.39
1977-78	2,193,405,714	997,654,527	45.48	114,065,103	5.20	357,790,592	16.31	66.99
1978-79	2,452,011,095	1,098,173,958	44.79	139,794,869	5.70	394,767,166	16.10	66.59
1979-80	2,750,988,834	1,230,099,474	44.71	145,243,264	5.28	436,949,552	15.88	65.87
1980-81	3,150,963,479	1,390,907,313	44.14	174,996,965	5.55	515,255,082	16.35	66.04
1981-82	3,401,694,904	1,495,263,953	43.96	194,452,082	5.72	567,573,821	16.69	66.37
1982-83	3,561,142,890	1,515,742,033	42.56	205,585,837	5.77	599,235,054	16.83	65.16
1983-84	3,812,808,921	1,620,044,340	42.49	232,195,091	6.09	653,091,405	17.13	65.71
1984-85	4,319,568,173	1,886,700,077	43.68	259,101,105	6.00	746,998,910	17.29	66.97
1985-86	4,877,060,744	2,185,803,123	44.82	281,875,727	5.78	840,311,094	17.23	67.83
1986-87	5,233,438,532	2,346,139,866	44.83	307,102,490	5.87	909,134,150	17.37	68.07
1987-88	5,805,245,729	2,639,237,658	45.46	326,296,294	5.62	980,746,492	16.89	67.97
1988-89	6,302,733,865	2,930,643,866	46.50	332,064,381	5.27	1,039,510,499	16.49	68.26

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REVERSIONS AND PERCENT OF ADJUSTED APPROPRIATIONS

Fiscal Year	Public Schools		University		Human Resources		TOTAL	
	Reversions	% of Adjusted Approp.	Reversions	% of Adjusted Approp.	Reversions	% of Adjusted Approp.	Reversions	% of Adjusted Approp.
1965-66	\$10,783,218	3.4%	\$3,935,954	5.6%	\$2,625,601	3.7%	\$21,191,475	3.9%
1966-67	10,911,675	3.3	5,546,453	7.1	3,022,897	3.9	25,943,911	4.4
1967-68	5,183,169	1.4	6,765,051	7.2	8,836,926	9.7	26,686,580	4.0
1968-69	5,385,562	1.6	6,464,296	6.2	7,725,398	8.0	26,473,712	3.6
1969-70	9,126,274	2.0	8,092,085	6.2	8,611,475	7.5	38,764,454	4.4
1970-71	13,149,929	2.6	8,718,177	5.9	9,414,690	7.2	41,816,778	4.3
1971-72	5,598,470	1.0	14,466,311	8.9	11,688,271	7.3	41,936,491	3.9
1972-73	5,219,405	0.9	13,702,171	7.6	11,942,333	6.6	47,942,487	4.0
1973-74	16,158,464	2.2	15,613,376	7.1	26,413,504	11.8	87,452,765	5.8
1974-75	17,246,464	2.2	13,548,240	4.8	23,677,556	8.8	70,714,040	4.2
1975-76	8,724,085	1.1	20,922,267	7.7	8,380,099	3.0	67,648,234	3.9
1976-77	10,701,298	1.2	17,151,194	5.6	22,820,056	6.8	72,136,909	3.7
1977-78	9,464,987	0.9	20,157,513	5.6	16,514,132	4.5	62,254,964	2.8
1978-79	6,158,650	0.6	15,461,528	3.9	39,927,495	9.7	93,678,253	3.8
1979-80	1	-	22,197,589	5.1	43,891,741	9.3	90,716,545	3.3
1980-81	-	-	27,335,659	5.3	44,573,299	8.4	100,950,571	3.2
1981-82	18,227,349	1.2	33,430,261	5.9	60,576,029	10.8	156,936,171	4.6
1982-83	60,333,713*	4.0	38,796,095	6.5	42,321,853	7.2	186,220,906	5.2
1983-84	3,833,404	0.2	26,145,906	4.1	31,496,804	5.1	82,077,008	2.2
1984-85	31,742,484	1.7	32,485,790	4.3	46,604,125	6.9	131,579,882	3.0
1985-86	28,881,795	1.3	47,196,655	5.6	40,463,453	5.4	158,705,503	3.3
1986-87	52,218,365	2.2	55,901,583	6.1	33,818,204	4.2	182,342,839	3.5
1987-88	68,057,911	2.6	43,872,193	4.5	50,316,667	5.6	204,490,880	3.5
1988-89	72,903,553	2.5	43,323,023	4.2	21,988,892	2.3	170,976,456	2.7

* General Assembly directed that \$29.8M of funds needed for 11th and 12th pay periods be part of the credit balance.

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**BASIC EDUCATION PROGRAM
ANNUAL NEW COSTS ASSOCIATED WITH PROGRAM**

	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
Classroom Teachers						
Reduce Class Size (Gr. 7-9)	\$36,261,754	\$5,799,450	\$-	\$-	\$-	\$-
Expand Programs (Gr. 7-8)	-	-	15,449,073	15,539,379	15,108,010	-
Expand Programs (Gr. 4-5)	-	-	14,883,500	8,982,300	14,327,079	14,335,207
Expand Programs (Gr. K-3)	-	-	-	16,426,381	17,300,624	17,310,438
Expand Programs (Gr. 9-12)	-	-	11,341,227	11,889,571	-	-
Reduce Class Size (Gr. 10-12)	-	-	7,650,119	(179,983)	-	11,961,032
Total	\$36,261,754	\$5,799,450	\$49,323,919	\$52,657,648	\$46,735,714	\$43,606,677
Superintendents	-	-	-	-	-	-
Asst./Assoc. Superintendents	-	-	-	4,438,249	-	4,767,421
Supervisors	-	-	-	-	-	2,611,375
Asst. Principals	1,731,180	(100,752)	5,905,127	5,112,485	-	11,166,375
Summer School	5,250,000	5,250,000	5,154,779	14,338,237	-	-
Vocational Education	-	-	21,749,550	21,845,178	1,039,116	1,039,707
In-School Suspension	15,101,276	5,271,349	2,208,523	2,221,062	-	1,726,921
Exceptional Children	-	-	13,269,431	22,135,206	-	-
Finance Officers	1,608,800	1,647,800	-	-	-	-
Instructional Support	-	6,200,200	3,200,858	9,647,819	15,477,126	23,636,423
Clerical Assistance	-	-	15,728,157	15,737,581	6,010,484	5,627,079
Instructional/Lab or Clerical Aides	-	-	-	-	-	17,073,432
Athletic Trainer Supplement	25,000	25,000	-	-	15,000	-
Staff Development	736,334	1,001,094	5,475,219	429,771	-	-
Instructional Supplies	-	-	9,259,827	1,315,183	-	-
Instructional Equipment	7,811,324	-	-	-	-	-
Textbooks	-	7,350,674	2,016,326	-	-	-
TOTAL	\$68,525,668	\$32,444,815	\$133,291,716	\$149,878,419	\$69,277,440	\$111,255,410

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44

BASIC EDUCATION PROGRAM
ANNUAL NEW POSITIONS ASSOCIATED WITH PROGRAM

	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
Classroom Teachers						
Reduce Class Size (Gr. 7-9)	1,357	205	-	-	-	-
Expand Programs (Gr. 7-8)	-	-	519	519	503	-
Expand Programs (Gr. 4-5)	-	-	500	300	477	477
Expand Programs (Gr. K-3)	-	-	-	525	576	576
Expand Programs (Gr. 9-12)	-	-	381	380	-	-
Reduce Class Size (Gr. 10-12)	-	-	257	(6)	-	398
Total	1,357	205	1,657	1,718	1,556	1,451
Asst./Assoc. Superintendents						
Supervisors	-	-	-	86	-	89
Asst. Principals	55	(3)	166	143	-	55
Vocational Education	-	-	-	-	33	33
In-School Suspension	534	171	69	69	-	53
Finance Officers	50	50	-	-	-	-
Instructional Support	-	200	100	300	475	725
Clerical Assistance	-	-	854	848	311	291
Instructional/Lab or Clerical Aides	-	-	-	-	-	1,271
TOTAL	1,996	623	2,846	3,164	2,375	3,968

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- (2) Increase the number of adult high school graduates and GED diplomas;
- (3) Encourage progress in the literacy programs through the use of performance-based incentive funding for colleges, employees, and employers;
- (4) Allocate literacy funds on a more equitable basis;
- (5) Develop statewide and individual college goals for increasing literacy;
- (6) Increase the number of workplace literacy sites; and
- (7) Replicate successful programs across the State.

It is the intent of the General Assembly to maintain the 1988-89 funding level as a statewide base for literacy programs.

The State Board shall report to the 1989 General Assembly, 1990 Regular Session, on the policies developed in accordance with this section.

Requested by: Senator Ward, Representatives J. Crawford, Tart

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I
---SATELLITE CENTERS

Sec. 23. It is the intent of the General Assembly that the State Board provide greater oversight of the proposed expansion of satellite and off-campus facilities among the colleges of the Community College System. The State Board shall develop criteria for the construction of satellite facilities and off-campus centers to be built with State funds; provided, however, that no criteria developed by the State Board shall inhibit a county without a satellite from acquiring one. A satellite facility is defined as a campus in a county other than that in which the main campus is located. An off-campus center is defined as a facility located within the same county as the main campus. The State Board shall report to the General Assembly on the criteria developed. The State Board shall not implement these criteria until the General Assembly has approved them.

Requested by: Senator Ward, Representatives J. Crawford, Tart

---STUDENT ACCOUNTING STUDY

Sec. 24. Due to the various methods used to count student enrollments in higher education, the General Assembly directs The University of North Carolina and the Community College System in cooperation with the North Carolina Association of Independent Colleges and Universities to recommend to the General Assembly a common method for counting student enrollments for purposes of receiving public funds.

A final report shall be made to the 1991 Session of the General Assembly. An interim report shall be made to the 1989 General Assembly, 1990 Regular Session.

Requested by: Senator Ward, Representatives J. Crawford, Tart

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II
---REGIONAL COOPERATION

Sec. 25. It is the intent of the General Assembly to encourage cooperative and regional programs among and between the colleges of the Community College System and The University of North Carolina System to ensure the most efficient use of tax resources. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall develop incentives to encourage regional and cooperative programs among and between the colleges of the Community College System and the constituent institutions of The University of North Carolina. Any legislative changes necessary to encourage such cooperative efforts shall be incorporated into the Boards' budget requests to the General Assembly for the 1990-91 fiscal year.

The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall report to the 1989 General Assembly, 1990 Regular Session, on the progress of regional programs.

Requested by: Representatives J. Crawford, Tart

---COMMUNITY COLLEGE TRANSFER OF CREDITS STUDY

Sec. 26. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall develop a plan to increase the number of community college credits that will transfer to the university system. This plan shall be reported to the 1989 General Assembly, 1990 Regular Session.

Requested by: Senator Ward, Representatives J. Crawford, Tart

---FTE ACCOUNTING

Sec. 27. Notwithstanding any rule, the census date for counting extension full-time equivalent (FTE) student enrollments shall be the same as that used to count curriculum full-time equivalent student enrollments.

Requested by: Senator Ward

---MAINTENANCE OF PLANT SUBSIDY

Sec. 28. The State Board of Community Colleges shall review the current allocation method for distributing the maintenance of plant subsidy to regional institutions. This review shall address the equitable distribution of available funds to adequately reflect the purpose for which they are provided. The Board shall report its findings and recommendations to the 1989 General Assembly, 1990 Regular Session.

PART VIII.---COLLEGES AND UNIVERSITIES

Requested by: Senator Ward, Representatives J. Crawford, Tart

---AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT LIMITATIONS

Sec. 29. (a) The amount of a tuition grant awarded to a student enrolled in a degree program at a site away from the main campus of the approved private institution, as defined in G.S. 116-22(1), may be no more than the result of the ratio of the cost per credit hour for off-campus instruction at that site to the cost per credit hour for regular, full-time on-campus instruction, multiplied by the maximum grant award.

(b) No Legislative Tuition Grant funds may be expended for a program at an off-campus site of a private institution, as defined in G.S. 116-22(1), established after May 15, 1987, unless (i) the private institution offering the program has previously notified and secured agreement from other private institutions operating degree programs in the county in which the off-campus program is located or operating in the counties adjacent to that county or (ii) the degree program is neither available nor planned in the county with the off-campus site or in the counties adjacent to that county.

An "off-campus program" is any program offered for degree credit away from the institution's main, permanent campus.

(c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding in this State incident to active military duty, who does not qualify as a resident for tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition Grant pursuant to this section if the member is enrolled as a full-time student. The member's Legislative Tuition Grant may not exceed the cost of tuition less any tuition assistance paid by the member's employer.

The Board shall review its methods for allocation of new funds to determine if these methods are appropriate.

The Board shall report its findings to the 1990 Session of the General Assembly by March 31, 1990, with copies to the Joint Legislative Commission on Governmental Operations.

Requested by: Senator Ward

---MANAGEMENT INCENTIVES

Sec. 34. The Board of Governors of The University of North Carolina and the Office of State Budget and Management are directed to review the need for management incentives and flexibility at the campus level in order to achieve budget savings and increased efficiency of operations. A joint report on findings, including any campuses which would want to participate in a pilot project of such efforts, shall be made to the General Assembly by March 31, 1990.

Requested by: Senator Ward, Representatives J. Crawford, Tart

---NURSING

Sec. 35. The Board of Governors of The University of North Carolina shall report on its study of nursing programs to the General Assembly by March 31, 1990.

Requested by: Senator Ward, Representatives J. Crawford, Tart

---RETENTION AND GRADUATION RATES

Sec. 36. The Board of Governors of The University of North Carolina shall review the variations in retention and graduation rates among the constituent institutions to determine the reasons for the differences. The Board shall report its findings and any recommendations to the General Assembly by January 15, 1991.

Requested by: Senator Ward, Representatives J. Crawford, Tart

---REMEDICATION

Sec. 37. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall review remedial courses for students in each system, including the proper role of remediation in assuring educational opportunity. The Boards shall determine the most cost effective method of delivering remedial educational programs for students requiring these programs in order to succeed in post-secondary education. A joint report of these findings shall be made to the 1989 General Assembly, 1990 Regular Session by March 31, 1990.

The Board of Governors of The University of North Carolina, the State Board of Community Colleges, and the Department of Public Education shall plan a system to provide a better flow of information among the public schools, The University of North Carolina, and the Community Colleges. This information shall include:

- (1) The number of high school graduates who apply to, are admitted to, and enroll in university institutions or in community colleges;
- (2) The performance of high school graduates in their first year of college attendance, as measured by such things as the need for remedial coursework at various schools, performance in standard freshmen courses, and the continued enrollment of the student in a subsequent year (retention);
- (3) The provision of information from the public schools to colleges in automated format on transcripts of applicants and other information which would be helpful in the admissions process;

- (4) Consistent, uniform course information from the public schools to the university system and community colleges, including course code, name, description, units earned toward graduation, and credits earned for admission through the university system; and
- (5) Reporting of students who attend college in the community college system, The University of North Carolina system, and private and independent colleges and universities in North Carolina.

A joint report on these efforts, including progress to date and a schedule for full implementation, shall be made to the Joint Legislative Commission on Governmental Operations by January 15, 1990, and to the General Assembly by March 31, 1990.

PART IX.-----DEPARTMENT OF ADMINISTRATION

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux
---MAINTENANCE CONTRACTS COST CONTROL

Sec. 38. (a) Each executive agency and university is strongly encouraged to eliminate maintenance contracts on word processors, personal computers and terminals. Each executive agency and university will report to the Fiscal Research Division and to the Director of the Legislative Automated Systems Division by April 30, 1990, the number of contracts eliminated and the net savings.

(b) Each executive agency and university shall keep copies of all current (active) maintenance contracts at a central office.

Each executive agency and university will provide the Office of State Budget, the Fiscal Research Division, and the Director of the Legislative Automated Systems Division with a list of these maintenance contracts by December 30, 1989. The list will include the contract number (or identifier), vendor name, number and description of items under contract, and the annual cost of the contract. This list shall be updated each year as of December 30.

(c) Each executive agency or university shall keep a central record of repairs whether or not done under maintenance in order to determine the repair history of equipment. The repair history will include equipment type (manufacturer and model number), serial number, location of equipment, service date and cost of repair.

The Office of State Controller shall include a computer-based record of repairs system for state agencies in the proposed revision of the Departmental Accounting System (DAS).

(d) The Division of Purchase and Contract shall work with executive agencies and universities to consolidate maintenance contracts to the extent feasible. The Division shall negotiate maintenance contracts on an hourly basis where appropriate and to specify in the contract what the rate will be. The Division shall make the equipment warranty on data processing equipment a part of the bid. The Division shall also investigate the use of third-party maintenance contractors for data processing and office equipment.

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux
---STATE SURPLUS PROPERTY WAREHOUSE/FUNDS

Sec. 39. The Office of State Budget and Management is authorized to transfer the sum of one hundred thousand dollars (\$100,000) from the Surplus Equipment Reserve Fund (Code 64101) for the 1990-91 fiscal year to the Department of Administration to support the operation of the State Surplus Property Warehouse.

Requested by: Representatives Easterling, Michaux

**JOINT LEGISLATIVE COMMISSION
ON
GOVERNMENTAL OPERATIONS**

REPORTS TO BE RECEIVED

October 5, 1989

**Prepared by
Fiscal Research Division**

Chapter 601, Section 4, 1983 Session Laws
REPORT DUE: Beginning July 1, 1989 and every six
years thereafter
BY WHOM: Department Environment, Health, and Natural
Resources
REGARDING: Review lease fees pertaining to shellfish
leases

EDUCATION SUBCOMMITTEE

Chapter 500 (SB 43)
Sec. 19

REPORT DUE: Quarterly
BY WHOM: State Board of Community Colleges
REGARDING: Progress on design and implementation of
an adequate and timely management
support system for community colleges

Chapter 500 (SB 43)
Sec. 33

REPORT DUE: By March 31, 1990
BY WHOM: UNC Board of Governors
REGARDING: Variations in instructional funding levels
among the different classes of
constituent institutions

Chapter 500 (SB 43)
Sec. 37

REPORT DUE: By January 15, 1990
BY WHOM: UNC Board of Governors, Community Colleges
and the Department of Public
Instruction
REGARDING: Implementation schedule for providing
adequate information, cost effective
programs, and appropriate programs to
students requiring remedial courses in
order for them to succeed in
post-secondary education.

Chapter 752 (SB 44)
Sec. 80

REPORT DUE: Semiannually
BY WHOM: State Board of Community Colleges
REGARDING: Progress of the "Critical Success Factors"
list (a list to define statewide
measures of accountability for all
community colleges) and the
institutional effectiveness plans

Chapter 754 (SB 1042)

Sec. 14

REPORT DUE: January 1, 1991

BY WHOM: Department of Community Colleges

REGARDING: Use of Worker Training Trust funds to
expand the Focused Industrial Training
Program

Current Law

G.S. 116-36.4

REPORT DUE: Annually by October 1

BY WHOM: UNC Board of Governors

REGARDING: Use of net proceeds from operations of
vending facilities

Previous Legislation (Chapter 830, Sec. 87(c), 1987
Session Laws)

REPORT DUE: April, 1990

BY WHOM: State Board of Education

REGARDING: Teaching Fellows Program, Teaching Grant
Program for College Juniors, and
Scholarship Loan Program for
Prospective Teachers

Previous Legislation (Chapter 830, Sec. 96(d) and (e),
1987 Session Laws and Chapter 752,
Sec. 96(e), 1989 Session Laws)

REPORT DUE: Annually

BY WHOM: UNC Board of Governors/State Board of
Education

REGARDING: Programs initiated to strengthen teacher
education, effectiveness of them

Current Law

G.S. 105-503

REPORT DUE: As needed

BY WHOM: Local Government Commission, Department of
State Treasurer

REGARDING: Findings on petitions by local boards of
education regarding inadequate funding
of school capital outlay needs by the
county commissioners or other
complaints in this regard

Current Law
G.S. 115D-5(f)
REPORT DUE: Annually
BY WHOM: State Board of Community Colleges
REGARDING: New programs established

Chapter 479, Section 18, 1985 Session Laws
The Joint Legislative Commission on
Governmental Operations shall oversee:

- (1) Career ladder pilot programs;
- (2) Basic Education Program;
- (3) Planning for the advancement center
for teachers;
- (4) School administrator training
programs;
- (5) Any other subjects the Commission
deems appropriate

HUMAN RESOURCES SUBCOMMITTEE

Chapter 500 (SB 43)
Sec. 82(f)
REPORT DUE: Periodically
BY WHOM: Departments of Human Resources/Public
Education
REGARDING: Willie M. expenditures

Chapter 500 (SB 43)
Sec. 92
REPORT DUE: Quarterly
BY WHOM: Office of State Budget and Management
REGARDING: Transfers of funds within county human
services agencies

Chapter 500 (SB 43)
Sec. 106
REPORT DUE: May, 1990
BY WHOM: State Auditor
REGARDING: Findings of operational audit on schools
and programs for the deaf and hearing
impaired

APPENDIX C
Minutes of the Commission and Subcommittees



EDUCATION COMMISSION MEETING

November 29, 1989

The Education Commission held its first meeting on Wednesday, November 29, 1989, in Room 1124 of the Legislative Building. Present were co-chairmen Sen. Marvin Ward and Rep. J. W. Crawford, Jr. Members present were Dr. Roger Jackson representing Superintendent Bobby Etheridge, Dr. Jay Robinson representing C. D. Spangler, Hal Miller representing Robert Scott, Howard Haworth, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, Darrell Frye, Dr. Lee Monroe, Barbara Tapscott, Myra Copenhaver, Jane Johnson, Sen. William Martin, Sen. Richard Conder, Rep. Fred Bowman and Rep. Lois Walker. Staff members present were Jim Johnson, Jim Newlin and Charlotte Ashcraft from Fiscal Research, Susan Sabre from Bill Drafting and Becky Hedspeth, clerk to the committee.

Presiding was Sen. Ward, Co-chairman, who called the meeting to order. He noted the presence of so many people in the audience indicated great interest in the subject of education. He then introduced the House co-chairman, Rep. J. W. Crawford, Jr. Co-chairman Crawford noted that there was a great deal of excitement about this commission. The members of the commission then introduced themselves, after which Sen. Ward called on the members of the audience to introduce themselves.

Sen. Ward then noted that the commission was created because education at all levels across North Carolina needs to be examined, and because there needs to be improvement in the cooperation and coordination among the levels of education. One of the big emphases of this commission will be to look at means of achieving better cooperation.

Susan Sabre, staff attorney from Bill Drafting, was then recognized to brief commission members on the authorizing legislation for this commission (Attachment A). The authorizing legislation was very broad and included consideration of the following: (1) Ways the systems could work together to reduce the amount of remediation that is done in the community colleges and the universities; (2) Ways the community colleges could assist the public schools with the dropout problem; (3) Examination of current cooperative programs among the systems and consider ways to enhance concurrent enrollment programs; (4) Ways to improve the joint use of facilities, equipment, and faculty; (5) Ways the systems could work jointly to increase the number of high school graduates who continue on to either system of higher education; (6) Ways to articulate more closely the curriculum of the public schools and the community colleges, especially in the vocational and technical areas; (7) Study of whether North Carolina could make better use of its buildings and equipment by: a. using the public school bus

fleet for other education transportation needs such as community colleges; and b. using the school buildings during the summer months by extending the school year beyond the present nine-month term; (8) Study of issues and matters identified in Senate Bill 751 --"State Educational Equity Grants" --of the 1989 Session; (9) Study of other methods of focusing on issues related to students at risk of academic and social failure so as to increase significantly the likelihood that all North Carolina students will graduate from high school with academic and social skills that will enable them: a. to be well-rounded productive citizens; and b. to be adequately prepared to handle the increasingly complex tasks that will enable them to pursue successfully and complete higher levels of academic or vocational education; (10) Study of the feasibility of establishing a State or local government "Earn to Learn" program, the purpose of which would be to encourage and facilitate the enrollment of high school graduates in post-secondary institutions in North Carolina. In conducting this study, the Commission is encouraged to consider inclusion of the following components in the program: a. employment of high school graduates in State and local agencies, or other agencies, in or reasonably accessible to their places of residence and b. development of a formula by which earnings or work credits can be applied to the cost of attendance at a State operated post-secondary institution; and (11) Receiving and consideration of reports of other studies concerning the matters set out in this section and concerning related matters.

Ms. Sabre pointed out that not all of the authorizing legislation's suggestions could be considered by this commission due to the limited amount of time it has. Those items listed above will be the focal point of the commission. The commission is specifically authorized to consider Senate Bill 751 (Attachment B), introduced by Senator William Martin of Guilford, a commission member. These issues of concern will be grouped into working subcommittee issues for a concentrated look.

Ms. Sabre then called attention to the commission budget (Attachment C). The proposed budget is only for the 1989-90 fiscal year. An additional \$25,000 has been appropriated for 1990-91. In 1990 it is likely the commission may want to consider holding public hearings. There is no money included in the formal 1989-90 budget for professional staff or special travels and expenses; however, adoption of the budget does not exclude the commission from spending funds for these purposes. The co-chair at any time can authorize other expenditures. The budget allows for 15 meetings between now and May when the short session convenes, leaving a reserve of \$1,450. Dr. Monroe moved adoption of the budget. The motion carried.

Ms. Sabre then referred members to a compilation of specific legislation affecting education that passed in the 1989 General Assembly, legislation pending, and defeated legislation (Attachment D). Budget provisions regarding education are also included in Attachment D. She called attention to page 41, a chart prepared by Fiscal Research on the percentage of General Fund appropriations that went to the three educational institutions, and to pages 43 and 44, a chart of additional costs and additional positions associated with the Basic Education Program. Senator Ward pointed out that the charts made clear the decline in the percentage of state spending for education. In 1964-65 the state was spending about 74 percent on education. At the present, about 68 percent is being spent on education.

Ms. Ashcraft, staff from Fiscal Research, began the explanation of subcommittee issues (Attachment E). She explained Subcommittee A, which will deal with remediation, dropout prevention, and concurrent enrollment encouragement. Jim Johnson, staff from Fiscal Research, explained Subcommittee B, which will deal with joint use of resources; Jim Newlin, staff from Fiscal Research, explained Subcommittee C, which will deal with higher education encouragement and articulation; and Susan Sabre explained Subcommittee D, which will deal with equity in educational opportunity.

Sen. Martin then explained his bill, Senate Bill 751 (Attachment B), which is part of the authorizing legislation and which will be considered as part of Subcommittee D's agenda. This bill is entitled AN ACT TO ESTABLISH AND PROVIDE FUNDING FOR A STATE EDUCATIONAL EQUITY GRANT PROGRAM FOR SCHOOL DISTRICTS THAT HAVE HIGH CONCENTRATIONS OF PRESCHOOL AND SCHOOL AGE CHILDREN WHO ARE FROM LOW-INCOME FAMILIES, FOR THE DEVELOPMENT AND IMPLEMENTATION OF PROGRAMS TO ASSIST SUCH CHILDREN WHO DEMONSTRATE OR ARE AT RISK OF DEMONSTRATING BELOW AVERAGE ACADEMIC PERFORMANCE AND SOCIAL DEVELOPMENT DURING THEIR SCHOOL YEARS. The issue of Distribution formulae for grant awards on Page 4 of the bill is a modification of the federal concentration grant concept. Sen. Martin noted this is one of the items the commission could look at as to whether there is a better way to deal with the formula. Mr. Haworth asked whether there was a budget projection for the bill. Sen. Martin responded there was a projection of \$3 million start-up costs for the first year and \$10 million for the second year. He has a schedule as to how much would go to each system based upon current census figures. Since there will be new census figures out in April, this will be subject to modification.

Co-chairman Ward noted this bill did not pass during the session. It was assigned to this commission as one of the issues to be examined. Mr. Haworth then asked whether Subcommittee D should not deal more directly with the issue

of discrepancies of fiscal resources among the local public school systems and the resulting inability to bring equal educational opportunity to all North Carolina public school students. Mr. Haworth pointed out the grant program outlined in Senate Bill 751 is not in and of itself a solution to the greater problem of lack of equalization across the school systems.

Sen. Ward informed the members that there is a Joint Legislative Commission on Governmental Operations, made up of members of the General Assembly, that meets every month for several days and that many items in relation to education have been referred to that commission. That commission also has a subcommittee on education on which both he and Sen. Conder serve. There may be a number of items reported to that subcommittee which the Education Commission may wish to study. He will keep our commission informed.

Sen. Ward then asked the members to look at the subcommittees and see if there should be any changes or additions. Sen. Martin asked that the issue of equity in funding across the state come under Subcommittee D's agenda. Myra Copenhaver asked if the salary issue and the Hall of Fame for educators would be considered. Sen. Ward noted that the salary schedule for teachers had been set for the next three years. There is now a study being done on a salary schedule for administrators which is due to be reported to the General Assembly during the 1990 short session. He stated that the issue of the Hall of Fame would be added to one of the subcommittees's agendas.

The question was asked in regard to Subcommittee A, which deals with remediation and drop out issues, whether it would not be appropriate to look at the total public school curriculum grades K-12. Sen. Ward stated he believed that was the intent. The comment was made also that Subcommittee B's study of joint use of resources should place more emphasis on the issue of year-round public school education. (Attachment A - item(9)b of the authorizing legislation)

Rep. Bowman asked if Subcommittee D would study all at-risk students and also equity of funding regardless of county money available. Sen. Martin responded that all at-risk students would be considered. The equity of funding will be considered. There was then a question as to whether the merits of the Basic Education Plan would be considered. Sen. Ward stated the BEP would not be a major consideration of this commission. The State Board of Education has been instructed by the General Assembly to look at that issue.

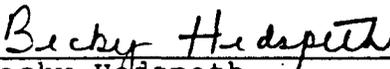
Sen. Ward then stated the need for the commission to find out what committees, commissions, councils, and other interested groups other than this commission were studying education issues that might be brought before this commission

by those groups. He then asked for a motion that a letter be drafted to these various groups to request that they submit their work plan and reports that relate to items on the commission's work plan, which will be included in the letter. Rep. Bowman made the motion; Barbara Tapscott seconded. The motion carried.

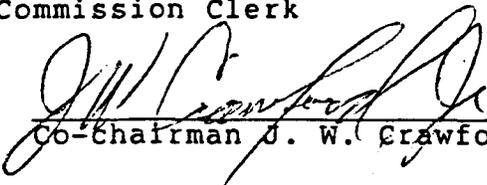
Sen. Ward then asked members to list the subcommittees, in order of preference, on which they wished to serve. This being completed, the time for the next meeting was set for Tuesday, January 16, at 10:00. At that time subcommittee assignments will be made and times determined for those subcommittees to meet.

Co-chairman Ward adjourned the meeting.

Respectfully submitted,


Becky Hedspeth
Commission Clerk

Co-chairman Marvin Ward



Co-chairman J. W. Crawford, Jr.



EDUCATION COMMISSION MEETING

January 18, 1990

The Education Commission held its second meeting on Thursday, January 18, 1990, in Room 1124 of the Legislative Building. Present were Co-Chairman J. W. Crawford, Jr., Rep. J. Fred Bowman, Rep. Lois Walker, Sen. William Martin, Sen. Richard Conder, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, Darrell Frye, Barbara Tapscott, Linwood Parker, Myra Copenhaver, Jane Johnson, Sanford Shugart representing Robert Scott, George Kahdy representing Lee Monroe, Roger Jackson representing Bobby Etheridge and Jay Robinson representing C. D. Spangler. Staff members present were Susan Sabre, Jim Newlin, Charlotte Ashcraft, Jim Johnson, and Becky Hedspeth, clerk to the committee. Co-Chairman Marvin Ward was absent due to illness and Howard Haworth was not present due to surgery.

Presiding was Co-Chairman J. W. Crawford, Jr. The first order of business was to hand out subcommittee assignments (Attachment A). The times for the subcommittees to meet was discussed at the end of the meeting.

Today's agenda consisted of seven presentations. The first presenter was Mark Musick, President of the Southern Regional Education Board. A copy of his remarks is attached as "B". His presentation was entitled "An Overview of Education Initiatives in the Southeast". Dr. Musick emphasized the tie between our schools, community colleges, and 4-year institutions of higher education - no one could function without the others, and no one should be better in quality than the others. The schools and colleges throughout this country seldom act as if this were true.

He believes North Carolina has a unique opportunity to lead the south and the nation in a real, tangible effort to link schools and universities. There is a concern and urgency in this state to take some dramatic action, spurred by our low SAT scores. North Carolina has three individuals in key leadership positions in this state who bring unique backgrounds and perspectives to their jobs. No other state in the nation has the diversity of educational leadership than does North Carolina. Superintendent Bob Etheridge has come to his job from the Legislature; Robert Scott has come to his position as President of the Community College System from being Governor and having a broad experience in both state and federal government as well as in business.

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President C. D. Spangler may be the only university president in the nation today coming to that position from having served as president of the State Board of Education as well as Chairman of probably the state's largest school board. Mr. Musick stated this is a diversity of perspectives you will find in no other state in this nation.

Sen. Conder asked about the value of the High School Competency Test. Mr. Musick stated the test was pitched at about a ninth grade level. Probably about 15 percent of those students needing help are identified, but they had probably already been identified. However, minority students have been singled out and have gotten extra help because of the test. If the help can be extended without the test, then the test is a waste of time.

Sen. Martin questioned colleges reporting to high schools as to a student's first year performance. His concern centered around the reporting possibly violating student privacy rights. Mr. Musick stated that every state that has this program in place has been able to get around that problem. Part of that has to do with the information being used on a research basis without requiring identifying information.

Darrell Frye questioned advanced placement courses. He was concerned with whether such courses resulted in a significant improvement in SAT scores and whether this makes better college students. Mr. Musick responded that students completing those courses are offered the opportunity to take an examination and, if they score 3, 4, or 5, are entitled to college credit. About 60 percent of those taking advanced placement courses do score 3 or higher. Results show that even those 40 percent who do not score 3 or higher are students who have been challenged. The advanced placement program draws attention to higher expectations, SAT scores would be higher, and the students better prepared for college.

Rep. Bowman asked what the incentives were to get students to take advanced courses. Mr. Musick stated there were several. First, colleges and universities encourage students. Second, there are some states where school districts receive money. In Florida \$100 is given for every student who takes such a course and scores 3 or higher. Then there is the mandating of courses. South Carolina requires every high school having more than a certain number of students to have an advanced course. Some states have an advanced diploma program. North Carolina is one of those.

It was noted by Pam Brewer that Person County pays the cost for the advanced placement exam for every student enrolled in an advanced class. Dr. Tapscott noted that in a lot of school districts there is "weighting" on the students'

transcript if they take an advanced placement course. In other words, if the students make a B on the course, they actually receive an A.

The next presenter was Dr. Lloyd V. Hackley, Chancellor of Fayetteville State University. His remarks are attached as Attachment C. His presentation centered around "remediation"; dropout prevention"; and "concurrent enrollment encouragement", all subjects to be studied by Subcommittee A of the Commission. He began his presentation by stating that he believed we should have the highest possible educational standards and should do all we can do to make sure that the students are brought up to those standards, without regard to race, color, creed, geographic location, or sex.

Regarding educational excellence and equity, which Dr. Hackley stated he believed the subjects mentioned above deal with, he set forth these propositions:

(1) We know all we need to know to educate the children who are important to us, to know what they should be learning, and to know when they are or are not making satisfactory progress in acquiring necessary knowledge and skills.

(2) There is no scientifically supported relationship between race, economic circumstances, or sex, and the potential to profit from enriched academic experience.

(3) For students from the lower levels, the formal education setting constitutes nearly the total source for imparting the knowledge and skills that graduates will have to have if they are to be considered educated. Thus, those who need the most from the formal education setting suffer the most deprivation when the standards of education are set low, and there is no public accountability for end results, or educational outcome; and

(4) Black students and other disadvantaged students, students from rural areas, and students from lower socio-economic backgrounds begin their schooling with lower achievement performances, fall further behind their advantaged peers as they move from first through twelfth grade, have higher dropout rates, have lower CAT and SAT scores, reflect lower college-going rates, and achieve lower college-success rates.

Dr. Hackley stated that educational policy makers need to address these issues:

(1) How to have colleges and universities delineate clearly what is expected in terms of knowledge, skills, and capabilities that students should acquire prior to enrollment and prior to graduation. Do we communicate to public schools

definitive information about success or failure of their products after they get into college, by race, sex, geographic location, socio-economic levels and high school? and

(2) What kinds of academic services are we providing to first and second-year students, regardless of starting abilities, that we admit to our colleges and universities? Do we know who we lose and why?

He noted these key ingredients for achieving both excellence and equity: High, clear educational standards, of consistent quality, throughout the state; objectively stated systems of accountability which assure that standards apply to all students; academic and social support systems with mechanisms to assist students in meeting higher standards; movements to higher standards phased over time, with maximum communication efforts so that students, parents, teachers, and counselors can adjust; more testing, with a change in philosophy of testing so that everybody, especially the student, is made to understand that tests are used to determine what students do not know so that it can be taught to them; and new relationships among the education system, Kindergarten-12, community college system, and baccalaureate through Ph.D. For example, we do not have enough Black students in college parallel-courses in community college and transferring to four-year programs.

The next presenter was Dr. Lawrence Walker, Superintendent of Caswell County Schools (Attachment D). His topic was "Joint Use of Resources". He talked about the relationship between Caswell County Schools and Piedmont Community College. Articulated programs are courses held for high school students that link directly with the community college. College instructors teach these courses. High school students often receive both high school and college credit for successfully completing them.

A satellite campus of Piedmont Community was built on the site of a high school on land donated by the Board of Education. Two buildings were built, and both are used by the public schools and the community college for day and evening classes. Through this articulation agreement, programs in welding, computer science, photography, blue print reading, maintenance, and Principles of Technology are offered.

Sen. Martin asked what was done in the way of counseling students when they enter into the joint program as to what is available in the area in terms of jobs and matching up the offerings and the students. Dr. Walker stated there is a counseling center in the high school operated jointly by the school and the college. The college provides one full time counselor. The dropout rate has been reduced by channeling all potential dropouts straight into the

college. The students are made aware of what programs are available and what opportunities there are. They may not be suited for public school but suited instead to the community college.

Sen. Conder asked what effect this had on the attendance rate and the dropout rate. Dr. Walker stated the attendance rate had not been affected. The drop-out rate had gone from 6.7 percent to 6.4 percent; he believes it can be dropped even further.

Rep. Walker asked if students dropped out in the tenth grade, whether they were picked up where they were. Dr. Walker stated that this was true. They could go through extended school day or could go right into the high school program in the college.

Rep. Bowman asked if the students who dropped out were allowed to ride the school bus. Dr. Walker responded that was permitted, and that those who were past 18 years of age were encouraged to drive the buses.

The next presenter was Dr. E. K. Fretwell, former chancellor of the University of North Carolina at Charlotte. His topic was "Higher Education Encouragement; Articulation". He began by stating that by the year 2000 there will be created in our state 760,000 new jobs; there will be only 550,000 from the available work force to fill those jobs. Nine out of ten new entrants into the work force will be predominantly women, members of minorities, and others, including immigrants, who may have limited work experience and a lack of formal education. Eighty percent of new jobs created in this state will be in the area of service industries; many, if not all of these, will require 13 or more years of education. There is a challenge here.

He presented a ten-point platform of action for legislative and education people working together, for systems and individual institutions working together, and business and communities working together with those in education.

(1) We do not need a super education governing board. Some states have "discovered" that the way to get people together is to develop another layer of bureaucracy. North Carolina does not need to make that "discovery".

(2) Remediation has to go on simultaneously at several levels.

(3) We must devise ways to get teachers from colleges and school systems together. Advanced placement has been a help here. The whole concept of what is a professional teacher needs to be clarified.

(4) The community college does not need to be reinvented. The problem, if there is one, is having a better understanding that the community college has to bounce three balls in the air simultaneously: i. transfer programs; ii. career and technical programs leading to an associate degree that are not dead end; many can and should work people into baccalaureate programs; and iii. the important and sometimes confusing array of courses that are not directly degree related. How do you get a person in one of these programs to move into another? The ideal is for the undereducated person to work up to a GED, being inspired to seek an associate degree, and being further inspired to move from a so-called job related program into an upper division baccalaureate program.

(5) Where is vocational education? How much of what should be in high school and how much of what should be in community colleges? How do the parts relate to each other?

(6) There should be credit recognition for experience outside the classroom. This would address the boredom issue.

(7) There need to be more rewards and incentives, some psychological and some financial. The financial ones need not be expensive.

(8) The work of statewide groups should be encouraged, and people should face up to the toughest issues.

(9) We need to devise ways at all levels of taking a look at how we are doing, i.e., peer evaluation.

(10) We need to bring together the heads of the three sectors as well as administrators, principles and presidents of campuses, and heads of teaching departments.

The next presenter was Dr. Roger Jackson, Deputy Superintendent of the Department of Public Instruction. Dr. Jackson shared what the Department of Public Instruction is doing in addressing legislative mandates and the subcommittee issues that have been identified for this committee. In the area of remediation, dropout prevention, and concurrent enrollment encouragement, the Department is currently working with the university system to address a number of those issues. Remediation is one of the major focuses of this process. The Department is also working closely with the community college officials in assessing the effectiveness of the current programs in place between the public schools and the community college system, mainly the dual enrollment programs, "Tech Prep", and "Two Plus Two" projects.

The Department is working very closely with colleges and universities in the area of teacher preparation and teacher certification programs. It is talking with Community Colleges and exploring ways to use the public school transportation system to provide transportation for

participation of adults in literacy programs. Dr. Jackson talked about the use of public school facilities by community colleges and how successful this has been.

He stated that the Department is very much committed to providing encouragement and support and the flexibility for local school systems to have a larger number of the student population to participate in higher level academic courses, advanced placement programs, dual enrollment, "Tech Prep", and other programs. This should lead to a larger percentage of students going on to post-secondary education. A top priority of the Department is to reduce the dropout rate and to increase the graduation rate at the secondary education level.

It is currently, through its financial services area, involved in taking an overall look at the funding formulas in place. Several of the top-level leaders from the Department also serve on the Public School Forum Board and are participating in a study there which focuses on equity of funding across the state.

Sandy Shugart, Vice-President for Programs of the Department of Community Colleges, was the next presenter. He acknowledged that North Carolina is undereducated. Twenty-four percent of the working families in N.C. have an annual income of \$10,000 or less.

In terms of dropout prevention, the Community Colleges provide a safety net for students who do not or who will not succeed in public school, via the Adult High School Program. Can the community colleges serve these students in a way that returns them to the high school on a grade level with their peers and capable of doing the work? Their chances of success are much greater if they are among their peers. They are experimenting with ways to return that student to the high school in as short a period of time as possible.

Regarding remediation, the community colleges call it "developmental education". This is a highly developed program, which is done very well. Perhaps 50 percent of the community college students have some experience in developmental education. They are placed by individual assessment, not by transcript inspection.

As for joint resources, he stated that approximately 100,000 community college students do their work at a high school in the evening. These high schools are very much needed. With the university, there is less involvement because they are regional and the community colleges are local.

With regard to higher education encouragement, he feels this issue needs huge attention. Over half of the ninth graders this year will not attend a post-secondary institution. Half of them won't receive a high school diploma. Tech Prep can have an immense impact on this problem. The key is how many of those students enrolled in Tech Prep take key courses such as Algebra I. Also, very early contact with whole families about higher education would be invaluable.

He stated that, of all issues the Commission will concern itself with, he would suggest that Issue 5 under Committee C is the most important. This issue involves committing the three educational systems to a common goal. The question of what we are trying to get done together needs to be answered. How will we know if we are getting it done and, then, what are folks doing? Can it be done better and what changes in policy, funding, procedure, or goals would help to accomplish our goals better?

Dr. Raymond Dawson, Vice-President, The University of North Carolina, was the last presenter. He addressed the issue of what the universities are doing to decrease the amount of remedial instruction they have to give and the issue of what they are doing to increase the college-going rate. In October, 1988, the Board of Governors asked that the University prepare an extensive report on remedial instruction. A copy of that report is attached (Attachment E).

Remedial instruction, as defined by the University, is instruction offered at the university that is essentially not credit offered toward graduation. This is instruction that should have been mastered before the student got to the university. In the fall of 1988, there were 278 remedial course sections with a total enrollment of 5,283 students. These courses meet three hours or more a week over the course of the entire semester. The student gets course-load credit. Most of that instruction is given in English and mathematics. In addition to the remedial course sections, a great deal of remedial work is offered through various tutorial programs, some lasting only a portion of a semester. There are reading labs, math labs, or an academic skill center where students receive help if they need it. About 15 to 20 percent of freshmen have to have some remedial instruction. A lot of this is teaching students courses they have never had before. To address this problem, the University in 1984 adopted a set of minimum admission requirements which all entering freshmen will have to meet beginning next fall. This should have the effect of reducing the remedial work that needs to be done.

The purpose of these admission requirements is to enlarge the college pool and to increase the number of students who attend college, particularly minority students. The University is working hard with the schools on this to get the word out to students early on what they need to take if they want to pursue a college career.

The University is working closely with the high schools to see what kind of information they need that will be most helpful to them in strengthening and improving their programs and in preparing their students for study in college. Last year they began sending to each high school principal a report on how graduates of that school who applied for admission within the university system stood up in terms of the 1990 admission requirements. This is the first step in setting up a system to report back to the schools so they can get a clear profile. Meetings began this month with a group of nine superintendents as well as representatives from Public Instruction and Community Colleges to try to improve that reporting system. That group will meet throughout the spring.

In developing these requirements, a study by the Special Commission appointed by the National Academy of Sciences, the National Academy of Engineering and the Institute of Medicine was most helpful. They reported in 1984 that students who are not planning to go to college need these skills: the ability to use the English language, to read, to write, and understand it clearly; to have basic mathematical concepts, at least through the level of elementary algebra, and preferably some grasp of geometry and trigonometry; a basic grasp of science and the scientific method. In setting these minimum admission requirements, Dr. Dawson stated we are setting up incentives and requirements to get those skills students need for the workplace as well as if they want to go back and pursue a college degree.

That completing the presentations, a discussion took place as to when subcommittees would meet. It was decided that subcommittees would meet on the mornings when the full Commission would meet in the afternoon.

Dates and times were set for the next three meetings: February 15 - subcommittees to meet at 10:00 and full Commission at 2:00; March 14 - subcommittees to meet at 10:00 and full Commission at 2:00; and April 10 - subcommittees to meet at 10:00 and full Commission at 2:00.

There being no further business before the Commission,
Co-Chairman Crawford adjourned the meeting.

Respectfully submitted,

Becky Hedspeth
Becky Hedspeth
Commission Clerk

Co-Chairman J. W. Crawford, Jr.

EDUCATION COMMISSION MEETING

February 15, 1990

The Education Commission held its third meeting on Thursday, February 15, 1990 at 2:00 p.m. in Room 1124 of the Legislative Building. Subcommittees of the Commission had met prior to the full Commission meeting, from 10:00 a.m. until approximately 1:00 p.m.

Sen. Marvin Ward, Co-chairman, presided. Also present was Rep. J. W. Crawford, Jr., Co-chairman. Members present were Sen. Richard Conder, Sen. William Martin, Rep. Fred Bowman, Rep. Lois Walker, Bob Etheridge, Robert Scott, Sandra Livesay, Joseph Kaylor, Carl Eagle, Barbara Tapscott, Linwood Parker, Myra Copenhaver and Jane Johnson. Present also was George Kahdy representing Lee Monroe, Jane Worsham representing Howard Haworth, and Jay Robinson representing C. D. Spangler. Pam Brewer had been present at the morning's subcommittee meeting, but could not stay for the full Commission meeting.

Co-chairman Ward called the full Commission to order and then recognized Howard Maniloff for a presentation to the Commission on equity in education. Dr. Maniloff is Superintendent of the Vance County Public Schools. A copy of his remarks is attached as 'A'.

Dr. Maniloff told the Commission he believes that, if every child in North Carolina has full access to the Basic Education Program, we will be achieving "equity" in education. However, even upon full implementation of the Basic Education Program, we will not be providing completely equal education. For example, students in affluent counties might have choices of several advanced science, history, or arts courses not specified by the Basic Education Program. Meanwhile, students in less affluent counties might have no choice beyond those advanced courses specified in the Basic Education Program. This is not "equal" education; however, both groups of students can complete a program fully preparing them for any college. Dr. Maniloff stated that, for the purposes of his presentation, he would proceed as if full availability of the Basic Education Program did provide equity in education.

First, he looked at areas where we are already "equitable": classroom size of no more than 26 in grades kindergarten through nine; the availability of art, music, physical education, and language teachers even in poor

counties (it used to be that they might be able to afford one of those, but not all); a good elementary guidance program over the state; teacher assistants in all K-3 classrooms; textbooks for all students; appropriately certified teachers for all handicapped and gifted children; and the availability of tuition-free summer school.

Dr. Maniloff then addressed inequities; first, in capital outlay as it relates to Vance County. The state recommends a classroom of 1,200 square feet for the youngest children, 1,000 for those a bit older, and 850 for older elementary students. The youngest children in Vance County would be in a classroom with only 630 to 660 square feet. In addition, Vance County will open a new high school this fall that will not have a single place other than the gym where the principals can meet indoors with the senior class or where any other large group can get together.

There are inequitable differences in other areas such as teacher supplements. The five school systems with the highest teacher supplements this year pay an average supplement of \$2,986. The five lowest pay no supplements. All these districts compete with one another for the same teachers.

Dr. Maniloff suggested several key issues that need to be addressed in order to fulfill the promise of equity:

(1) Addressing the availability of staff in rural, poor school systems. Having the positions paid by the state is little help when you cannot fill the positions.

(2) Addressing "nitty-gritty" issues such as energy allotments. These allotments are based on average daily membership. That formula seems sensible enough--except, of course, that a slow decrease in ADM does not translate into a need for less square footage to be heated. The difference between what the state provides and what is needed comes from local funds.

(3) Facing up to the problem of small schools. The initial calculation of staffing ratios for the BEP suggests that the ratios might be insufficient in the smallest schools. In the fall of 1984, the state tested the ratios by asking principals in three school systems to schedule their schools using the BEP ratios. Their work confirmed initial expectations. The state already had special allotments for small schools. This allotment procedure, however, pre-dates the requirements of the Basic Education Program. We need to reexamine and modify that procedure to provide the positions needed for full BEP implementation.

(4) Recognizing that building schools is as important as building roads and prisons. What kind of morality is it that lets the threat of lawsuits determine building needs--especially when children are the losers? As a state, we seem far more interested in what kinds of roads school

buses travel on, than in what kinds of schools they travel to. Until our state accepts responsibility for school buildings, it will not have demonstrated a full commitment to implementation of the Basic Education Program, and therefore, to equity in education.

Dr. Maniloff concluded by stating that we need to stop moaning and groaning about disparities and focus on sufficiency. Studying and discussing disparities will not help students in Vance County. Offering them the full Basic Education Program, including facilities, will.

Next on the agenda were the reports from the subcommittee chairmen on the results of their meetings during the morning. Subcommittees had met to prioritize their issues and to determine resources and data requests they would need to study those issues. Sen. Conder, chairman of Subcommittee D "Equity in Opportunity" made the first presentation. A copy of the report from the meeting is attached as "B". This subcommittee will begin its study with the issue of equity in funding.

Rep. Bowman and Sen. Martin had questions about sources of funding, if all public education operations and programs were funded at the State level. The funds would come by returning some portion of the sales tax now going to localities to the State. There would be no other sources of funding.

Robert Scott addressed the group on the meeting of Subcommittee C "Higher Education Encouragement: Articulation" (Attachment C). Sen. Martin asked whether two issues would be considered: a. emphasis on graduates of "Tech Prep" and "Two Plus Two" having viable options so they can choose higher education, and b. whether there could be curriculum modification in vocational education to enhance academic competency. Mr. Scott stated these issues would be considered.

Rep. Lois Walker reported on Subcommittee B "Joint Use of Resources" (Attachment D). She stated that they had met jointly at the beginning of the meeting with Subcommittee A "Remediation; Dropout Prevention; Concurrent Enrollment Encouragement" because many of their issues overlapped. Tom King and Sandy Shugart from Community Colleges addressed the group. Sen. Ward noted that both this subcommittee and Subcommittee C "Higher Education Encouragement; Articulation" were looking at the "Tech Prep" Program and that both should not do a full study; the majority of the study should be done by Subcommittee C.

Superintendent Etheridge asked about the cooperative purchasing issue because at present everyone must go through State Purchase and Contract. Sen. Ward suggested there might

be a better way, that is to put all the public school, community college and university monies together and buy educational materials more effectively. Staff pointed out that earlier discussions on this centered on higher-cost items such as equipment. Jay Robinson noted that an example of this would be computers. Educational agencies can often purchase those at a lower cost than State Purchase and Contract.

Sen. Martin asked if it might be appropriate to look at eliminating the necessity for public educational institutions to pay the sales tax. Rep. Bowman agreed with this, and Sen. Ward asked Rep. Walker to add this issue to their subcommittee agenda.

The next presentation was by Barbara Tapscott for Subcommittee A "Remediation; Dropout Prevention; Concurrent Enrollment Encouragement" (Attachment E.) She stated that there were several areas such as "Tech Prep" and "Two Plus Two" that crossed from one subcommittee to another, but they were looking for different kinds of information from the issues.

There were suggestions that the subcommittee look at these issues also: whether the elementary schools could be utilized in early identification of potential dropouts; tracking attendance as related to dropouts; elementary counseling programs for prevention; the joint efforts by some cities and schools to prevent dropout, which some of the business community is interested in and which has been expanded; students' work hours as related to dropouts. Dr. Tapscott said the issue of costs of remediation would be looked at also.

President Scott asked if the subcommittee would look at what roles each system should have in remediation. He defined remediation as offering a student help in getting better at something he has already been exposed to, but did not grasp. Community Colleges calls this "developmental studies". He suggested the subcommittee should keep this distinction in mind when working through the issue of remediation vs. developmental studies.

Jay Robinson stated, as the Commission has addressed before, that remediation is greatly misunderstood; it is not always a shortcoming in the schools. Sen. Ward then asked Dr. Robinson to make a brief statement on dropouts. He stated (1) if there were a tracking system, we would look better because there are substantial numbers of students going to community colleges or working toward a diploma in alternative ways a short time after they so call "drop out"; (2) for potential dropouts, there have to be ways developed for them to obtain basic skills, not just to keep them in school and out of trouble.

Sen. Ward then asked the members what they wished regarding future meetings of subcommittees and the full Commission. The date for the next meeting had already been set for March 14. It was felt that subcommittees should report to the full Commission after their meetings. The decision was made that on March 14 the subcommittees would meet at 10:00 a.m. until 2:30 p.m., at which time the full Commission would meet for reports from the subcommittee chairmen. Written reports from staff of each subcommittee meeting will be mailed to members when the minutes of the Commission meeting are mailed.

There being no further business, Co-chairman Ward adjourned the meeting.

Respectfully submitted,

Becky Hedspeth
Becky Hedspeth
Commission Clerk

Sen. Marvin Ward
Co-Chairman

Rep. J. W. Crawford, Jr.
Co-Chairman



Equity in Education
Remarks to Education Study Commission
N. C. General Assembly
February 15, 1990

When asked to discuss Equity in Education, I decided that perhaps it would be best to be sure I knew just what that topic meant. I went to the dictionary and found that "equity" means "the quality of being fair." Knowing that getting agreement on the meaning of "fair" would not be easy, I returned to the dictionary and found that "fair" means "free from bias, dishonesty, or injustice."

I believe that if we can assure that every child in North Carolina has full access to the Basic Education Program, we will indeed be providing education in a manner "free from bias, dishonesty, or injustice"--put another way, we will have achieved equity in education. That is my contention. Others might differ. You see, even upon full implementation of the Basic Education Program, we will not be providing completely equal education. Take, for example, two high school sophomores of equal and high intellectual ability. One in a relatively affluent county might look forward to a choice of several advanced science and history courses, as well as advanced courses in the arts. The other might have no choice beyond those ^{advanced courses} provided in the Basic Education Program. We do not have equal education here. We do, however, have a situation in which both youngsters can complete a program fully preparing them for any college in the land.

Similarly, we provide all citizens law enforcement services. Wealthier citizens might also purchase their own alarm systems or even guards. Health services are considered basic. Poor people do have access to health care,

but not at the level of the wealthy. The fundamental public policy issue here is whether society feels the best use of its resources ^{is} ~~are~~ to assure sufficiency in many areas or to provide what must inevitably be an arbitrary level of absolute equality.

For my purposes, I will proceed as if full availability of the Basic Education Program provides equity in education. Let us look now at where we are equitable.

Wherever you go in North Carolina--rich county or poor--you will find an average class size in grades kindergarten through nine of no more than 26. Would we like it lower? Certainly, but 26 is far better than in many places in America, is a long way from where we've been, and is not a function of local money.

Prior to the Basic Education Program, some local school systems actually sent back state money for vocational education, because they could not afford the required local match. That doesn't happen any more.

It used to be that poor counties might afford an art teacher, or a music teacher, or a physical education teacher, or a French teacher--but certainly not all. Now those curricular areas are available to all children. I can remember a legislator from the mountains sitting in this very room and asking why it was deemed fair that youngsters from his part of the state rarely seemed to get selected for statewide recognition in the arts. *They were able, because they just had not had the teaching other youngsters had.*

Only five years ago, if you wanted to see a good elementary guidance program, you went to Greensboro, or maybe one or two other places. Now you can go just about anywhere in North Carolina and find one.

In some other states, you would have to go to the wealthy school systems to find teacher assistants in many classrooms. We have had them in all K-3 classrooms for almost 15 years.

We might not like our textbooks, but no child in North Carolina has to do without due to the lack of local resources. Nor must any handicapped or gifted child do without an appropriately certified teacher because of the local tax base.

Ten years ago, Charlotte-Mecklenburg decided to implement a tough set of promotion standards. To make those standards fair--and effective--the school system also established a locally paid, free summer school for students who did not meet those standards. That was a great idea, but only for communities with money. Today, wherever a child lives in North Carolina, if he needs help to pass his grade, he can go to summer school, he can get transportation there and home, and he can get the help he needs.

All of this provides a substantial record of equity.

Do children in wealthier communities not have even more opportunities? Certainly they do. And these are good opportunities, which we would all want for our children. Nonetheless, the act of going beyond the Basic Education Program lessens neither the quality nor the quantity of education provided in that program.

Discussions of equity sooner or later get around to talk of lawsuits. Someone will point out that in this state or that state the wealthiest district spends seven times more than the poorest--or ten times, or more. These states invariably depend on local sources of funds to a far greater extent than North Carolina. For decades, in fact, North Carolina has contributed a far

greater proportion of the average per pupil expenditure than all but a small number of states. Has this been enough? Of course not. This is a case of equity with insufficiency.

In any case, if other states have problems of some district spending many more times other districts, what is the situation in North Carolina? Quite different. I have used data in the Department of Public Instruction's publication Selected Financial Data, 1987-88. Using one-year figures can be misleading, due to occasional sharp variations. The DPI publication provides five-year averages, and those are the ones I used. The average per pupil expenditure in the five school systems spending the most was \$4,299. The average in the five lowest was \$2,939. That is a worrisome difference, but hardly on the scale of other states. In fact, the five largest spent not ten times more than the five lowest, or even seven times more. The multiple here was only 1.46. If one takes the one district spending the most and compares it with the one district spending the least, one finds a multiple of only 1.57.

How can that be? Remember that the major cost in education is personnel, and that for every 26 students in grades K-9, and for every 30 in grades 10-12, no matter how rich or poor you are, you will get a state-paid teacher. The state also provides librarians, secretaries, psychologists, teacher assistants, vocational teachers, principals, counselors, and many more personnel.

Is there, then, no inequity? Of course there is, and of significant proportions. I looked further in the DPI publication and found expenditures for capital outlay. This is the money that provides roofs that do not leak, classrooms of sufficient size, furniture best suited for instruction--the facilities essential for learning. The five school systems spending the

most per pupil had, among them, 28,106 students, and spent an average of \$393.87 on capital outlay for each of them. The five spending the least had a total of 25,260 students among them and spent an average of \$41.66 on each of them. In other words, the wealthiest outspent the poorest by nine to one.

Why such a great disparity? Remember that even with the 1987 facilities legislation capital outlay is overwhelmingly a local expense.

Capital outlay seems an abstract concept, so take a look at this magazine cover. What you see is the September, 1986 edition of a magazine put out by the N. C. Citizens for Business and Industry. This issue had a cover story on the Basic Education Program. What you see in the picture seems basic enough: a teacher sitting, students surrounding her, as she reads them a story. You would not, however, you could not, see this activity duplicated in most of the elementary school classrooms in Vance County. Our classrooms are not large enough. The state recommends a classroom of 1,200 square feet for the youngest children, 1,000 for those a bit older, and 850 for older elementary students. The students in this picture are younger ones. In my county, and in many others, they would be in a classroom with only 630 or 660 square feet.

Demonstrate difference

In a classroom, these additional square feet are essential. These are the square feet that allow a teacher to arrange desks not in rows, but in groups of four or five and have children not only work individually, but also develop the skills essential for working in groups. These are the square feet that allow a teacher to set up centers, where children can browse through books, work on science experiments, or use a computer. These are the square

feet that allow a teacher to have her children gather round her to listen to a story. These are the square feet most of my students do not have.

These differing expenses also translate into whole areas that get built in some schools but not others. We will open a new high school this fall. It will not have a single place other than the gym where the principals can meet indoors with the senior class or any other large group.

Teachers in Vance County get right emotional about these disparities. In a meeting just a couple weeks ago, one of our teachers recalled a recent visit to a high school in a wealthier, nearby county. "I had never seen anything like it," he said. He paused and then cried out almost in pain, "I almost ^{threw up,} vomited. We have great kids, and they deserve the same thing." He was right.

Differences show up in other areas. The five school systems with the highest teacher supplements this year pay an average supplement of \$2,986. The five lowest all pay no supplements. And all these districts compete with one another for the same teachers.

Where, then, does all this leave us? Clearly, we have achieved a substantial degree of equity in education. Just as clearly, we have substantial problems with equity. Some would say that to solve the problem, we must join the rest of the country and develop an equalization formula. Equalization--the practice of distributing state aid according to local wealth--is one of those attractive ideas that is a lot harder to implement than to discuss. States with equalization formulas seem to find themselves back in court continuously, as they tinker and tinker and tinker--never fully satisfying anyone. As our recent experience with the Critical Needs funds showed, when you give out money based on wealth, everyone is suddenly poor.

Equalization, however, presents not only implementation problems, but even more importantly, conceptual flaws. Equalization formulas tend to be based on arbitrarily agreed on figures. One example might be basing equalization on the current per pupil expenditure in a particular grade span. That current level of funding might or might not, of course, be sufficient. The apparent fairness of equalization is as deceptive as the calm, smooth surface of a swamp.

A better approach would be the one we have taken in North Carolina. There is nothing arbitrary about the Basic Education Program. Provide that to all children, and you have provided equity. To fulfill the promise of equity, however, we need to address several key issues:

1. The availability of staff in rural, poor school systems. Having the positions paid by the state is little help when you cannot fill the positions.
2. Addressing nitty-gritty issues such as energy allotments. These allotments are based on average daily membership. That seems sensible enough--except, of course, that a slow decrease in ADM does not translate into a need for less square footage to be heated. The difference between what the state provides and what we need comes from local funds.
3. Facing up to the problem of small schools. The initial calculation of staffing ratios for the BEP suggests that the ratios might be insufficient in the smallest schools. In the fall of 1984, the state tested the ratios by asking principals in three school systems to schedule their schools using the BEP ratios. Their work confirmed our initial expectations. The state already had special allotments

for small schools. This allotment procedure, however, pre-dates the requirements of the Basic Education Program. We need to re-examine and modify that procedure to provide the positions needed for full BEP implementation.

4. We need to recognize that building schools is as important as building roads and prisons. What kind of morality is it that lets the threat of lawsuits determine building needs--especially when children are the losers? As a state, we seem far more interested in what kinds of roads school buses travel on, than in what kinds of schools they travel to. Until our state accepts responsibility for school buildings, it will not have demonstrated a full commitment to implementation of the Basic Education Program, and therefore, to equity in education.

Finally, we need to stop moaning and
groaning about disparities and focus
on sufficiency. Disparities might be a hot
topic, but ^{studying and} discussing them will not
help my students in Vance County. Offering
them the full Basic Education Program,
including facilities, ~~is~~ will.

Thank you, C-28

EDUCATION STUDY COMMISSION

March 14, 1990

The Subcommittees of the Education Study Commission met from 10:00 a.m. until 2:30 p.m. on Wednesday, March 14, 1990. The full Commission met at 2:30 p.m. in Room 1228 to hear reports from the chairmen of the subcommittees.

Present were Sen. Marvin Ward and Rep. J. W. Crawford, Jr., Co-Chairmen; Robert Scott, Rep. Fred Bowman, Rep. Lois Walker, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, Barbara Tapscott, Sen. Richard Conder, Myra Copenhaver, Jane Johnson, George Kahdy representing Lee Monroe, and Tony Copeland representing Bob Etheridge. Present also were Susan Sabre, Jim Newlin, Jim Johnson, Charlotte Ashcraft, staff to the Commission; and Becky Hedspeth, clerk.

Co-Chairman J. W. Crawford, Jr., presided and called on subcommittee chairmen to present their reports. First to report was Barbara Tapscott from Subcommittee A "Remediation; Dropout Prevention; Concurrent Enrollment Encouragement". She stated the subcommittee was basically dealing with two issues: dropout prevention and remediation. They had met that morning with Subcommittees B and C to address the "Tech Prep" concept.

Dr. Tapscott reported that in 1987 there was legislation passed dealing with dropout referral meaning that, when a student dropped out of public school, it was the public school's responsibility to fill out a referral form to send to the nearby community college. She stated the process has not been monitored as closely as it should be. The Department of Public Instruction last year asked for school systems to send a report to them; there were about 20,000 dropouts last year and only about 12,000 had referrals sent to the community colleges. She stated the need for an articulation committee created to meet regularly.

Rep. Lois Walker, Chair of Subcommittee B "Joint Use of Resources", made the next report (Attachment A). She stated that shared commitment is absolutely necessary for the programs to be successful. The one large question that came up is how to motivate without mandating. This they will be working on in future meetings.

They heard presentations from Tom King of the Department of Public Instruction and Jessie Ray Scott on Community Schools. Mrs. Scott had a handout "Community Schools Report" (Attachment B). Rep. Walker reported there is a director in

all 134 LEA's. We are one of the few states having this program, and there are regional meetings between public schools and community school personnel for this program.

Robert Scott made the presentation for Subcommittee C "Higher Education Encouragement". He elaborated on the joint meetings of the Boards from the three educational systems stating they had met the previous week, which was the second of those meetings. The three boards are now required by law to meet annually. He stated this meeting was very productive. A ten point resolution had been adopted for the three boards to address; specifying areas such as articulation, transfer of credit, remediation, accountability and flexibility.

He stated his subcommittee, along with Subcommittees A and B, dealt in a joint meeting with the "Tech Prep" concept. They had heard from Dr. Doug James and Myrtle Stogner from the Richmond School system; Virginia Fox, president of Mayland Community College; and Dr. Suzanne Ledford, the coordinator of Mayland's "Tech Prep" program, which they call "Partners in Educational Technology".

There are about 27 school administrative units in the state who have requested assistance from the Richmond County Tech Prep Program people, such as materials, technical assistance, etc. People are also coming from out of state to look at this program. He emphasized that, based on the Richmond School system model, the dropout rate was decreased, test scores such as SAT were raised, and there was an increase in the numbers of students planning education beyond high school. At Mayland Community College, joint classes were focused on with credits being offered at the high school and the community college level. The subcommittee unanimously agreed that this was a good concept which ought to be replicated across the state on a voluntary basis.

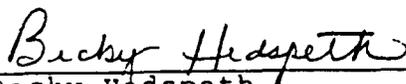
Sen. Conder reported for Subcommittee D "Equity in Opportunity". Minutes are attached as "C". There was a handout on "State Assistance for Local School Facilities" (Attachment D); "State Equalization Efforts During Last Decade" (Attachment E); "Economic Classification of North Carolina Counties" (Attachment F); and "Fiscal Impact of School Funding/Sales Tax Swap" (Attachment G). There were three speakers for this subcommittee: Dave Crotts from Fiscal Research; Jim Blackburn from the Association of County Commissioners; and Ran Coble from the N.C. Center for Public Policy Research. A copy of Mr. Coble's presentation is attached as "H".

Mr. Coble referred in his remarks to what is happening in Kentucky regarding school finances, and Sen. Conder asked staff to share with the Commission the situation there. Rep. Crawford stated the State Supreme Court in Kentucky threw

out, not just the system of school finance, but the structure of school districts and school boards, state governance, teacher certification and school construction and maintenance. Susan Sabre noted that an entire rewriting of the law of education and governance has to be developed by July 1.

The time for the next meeting was set for April 10 in Room 1124. The subcommittees are to meet at 10:00 a.m. - 1:00 p.m., and the full Commission at 2:00 p.m.

Respectfully submitted,


Becky Hedspeth
Commission Clerk

Rep. J. W. Crawford, Jr.
Co-Chairman

Sen. Marvin Ward
Co-Chairman



EDUCATION COMMISSION MEETING

April 10, 1990

The Subcommittees of the Education Commission met from 10:00 a.m. until approximately 1:00 p.m. on Tuesday, April 10, 1990. The full Commission met at 2:00 p.m. in Room 1124 of the Legislative Building.

Present were Sen. Marvin Ward and Rep. J.W. Crawford, Jr., Co-Chairmen; Robert Scott, Bob Etheridge, Rep. J. Fred Bowman, Rep. Lois Walker, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, Darrell Frye, George Kahdy, Barbara Tapscott, Linwood Parker, Sen. William Martin, Sen. Richard Conder, Myra Copenhaver, Jane Johnson, Weaver Rogers representing Howard Haworth, and Jay Robinson representing C.D. Spangler.

Co-Chairman Ward presided and called the meeting to order to hear reports from the Chairmen of the subcommittees. First on the agenda was a report by Rep. Howard Chapin who had made a presentation on Year-Round Education to Subcommittee B "Joint Use of Resources". Rep. Chapin had recently attended the National Conference on Year-Round Schools. A copy of his remarks as well as "Steps to Implementation of Year-Round Education, and "Questions and Answers on Year-Round Schools" is included as Attachment "A".

In response to a question from Rep. Bowman as to whether year-round schooling would decrease the number of years a student attended school, Rep. Chapin responded that students would only attend school 180 days each year. Rep. Bowman then asked if costs of schooling would be increased; Rep. Chapin stated costs would be increased initially; however, in the long run, money would be saved in capital outlay.

Rep. Lois Walker, Chairman of Subcommittee B, made the full subcommittee report. Her outline is attached as "B". In addition to hearing from Rep. Chapin, they also had presentations by Caroline Massengill, principal at Kingswood Elementary School in Cary, and Ramey Beavers, principal at the senior high in Cary, on the Wake County pilot program in year-round education. They reported this program has been successful. A handout on the Kingswood program is attached as "C". There is also a handout (Attachment D) on "Next Century Schools". The Mooresville Schools have just received a grant from RJR to set up a pilot program in grades K-3.

Superintendent Etheridge asked if any programs had been in existence long enough to determine if they were running smoothly. Jim Johnson responded that certain districts in California had been using year-round schooling for ten years. He stated the real test will be in LA County where the program will be mandatory this year because of their growth. Those programs already in existence do have a good track record to the point that buildings are now being designed to for year-round schooling.

Jan Ramquist of the League of Women Voters made a presentation on "Education Needs and Potential Revenue", a copy of which is attached as "E". She had two handouts: an "Issue Summary" (Attachment F) and "Tax Law Changes Predicted to Have an Impact on Revenue More than \$1 million" (Attachment G).

Barbara Tapscott reported next for Subcommittee A "Remediation; Dropout Prevention; and Concurrent Enrollment Encouragement". They had heard from Dr. Barry Kibel on dropout prevention programs and from Pat Yancey on driver's education as a part of the instructional day. Her report and attachments are included as "H".

Robert Scott reported for Subcommittee C "Higher Education Encouragement". He recognized two new members of the subcommittee: Dr. George Kahdy, who replaces Dr. Lee Monroe as the Governor's advisor on education, and Dr. Weaver Rogers, designee for Howard Haworth. The subcommittee in its meeting dealt with high school, community college and university cooperative programs. They had presentations by Dr. Vic Hackley on "Recruitment, Retention and Graduation of Minority Students"; Dr. Susan Friel and Dr. Peggy Franklin on "Special Programs to Encourage Special Groups"; Dr. Dennis Carroll on "Advanced Placement Programs"; and Dr. Weaver Rogers on "High School Graduation Requirements". His report is included as "Attachment I".

Sen. Ward asked if the public understood the difference between advanced placement courses, honors, and gifted courses. President Scott stated there appeared to be some confusion and no set criteria and no discipline as to meeting certain standards. It was noted that with advanced placement there are set standards; however, there seem to be differences as to criteria and standards with the other courses mentioned. Sen. Ward noted that the Department of Public Instruction and the State Board of Education need to take a look at this situation.

Sen. Conder reported for Subcommittee D "Equity in Opportunity". A copy of his report is attached as "J". This subcommittee reviewed Senate Bill 751 introduced by Senator William Martin. The bill establishes a State Equity Grant

Program for school districts having high concentrations of preschool and school age children who are "at risk". This bill is eligible for the short session, and the subcommittee decided to meet again on May 7 at 2:00 p.m. in Room 634 of the Legislative Building. Prior to that, Sen. Martin will conduct an open working meeting with staff and interested persons on April 19 at 2:00 p.m. in Room 634 to begin drafting.

Sen. Ward called on Co-Chairman, Rep. J. W. Crawford, for the last presentation. He presented the Commission two draft bills (Attachments K and L): one to make the Superintendent of Public Instruction the chairman of the State Board of Education and another to make the Superintendent of Public Instruction an appointee of the State Board of Education. He asked the members to look at these bills and make this an elementary entry into this question, possibly to be discussed at the next meeting of the full Commission. It was noted a constitutional change would be needed to enact either of these bills. Robert Scott asked if the Commission would be asked to make a recommendation; Rep. Crawford responded yes.

The business of the Commission being completed, Co-Chairman Ward adjourned the meeting. It is not planned that the full Commission or subcommittees A, B, and C will meet again until after the "short session" of the General Assembly this May.

Respectfully submitted,

Becky Hedspeth
Becky Hedspeth, Clerk

Sen. Marvin Ward
Co-Chairman

Rep. J. W. Crawford, Jr.
Co-Chairman

Note: All attachments were handed out at the meeting except Jan Ramquist's remarks and handouts; they were included with the mailing of these minutes to members.



EDUCATION COMMISSION MEETING

October 8, 1990

The Education Commission met on Monday, October 8, 1990, in Room 1228 of the Legislative Building. Present were the Co-Chairmen, Sen. Marvin Ward and Rep. J. W. Crawford, Jr. Members present were Rep. Lois Walker, Rep. Fred Bowman, Sen. Richard Conder, Sen. William Martin, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, George Kahdy, Linwood Parker, Myra Copenhaver, Jane Johnson; and Tom King representing President Bob Scott. Also present were staff members Jim Johnson and Jim Newlin from Fiscal Research; Susan Sabre, staff counsel; and Becky Hedspeth, clerk.

Co-Chairman Crawford presided during the meeting, opening with welcoming remarks and introductions of the members and audience. Rep. Bowman moved approval of the minutes of the April 10, 1990, meeting; motion carried.

Susan Sabre, staff counsel, then made a presentation reviewing legislation of the short session of the General Assembly which affects the Commission's study. Ms. Sabre called attention to two handouts she would be reviewing for members. The first, Resolution 76, (Attachment A) is an analysis of budget matters; the second "Report on Education Legislation" (Attachment B) is a report prepared by the Department of Public Instruction. Ms. Sabre suggested that members take these two handouts home to review but asked that they be returned to be kept in member's notebooks.

From Resolution 76 (Attachment A), Ms. Sabre called attention to page 2 indicating the shortfall projections of \$484.7 million in 1991-92, up to \$824.7 million in 1994-95. Section 2 states that any appropriation requested by the Commission will be costed out by Fiscal Research not for the usual two-year biennium but for four years. Rep. Crawford pointed out that current figures show the shortfall to be \$650 million. In addition, the court case with federal employees will cost the State, at a minimum, \$100 million; the current gas price situation will add another \$100 million.

Ms. Sabre then began calling attention to items from the "Report on Education Legislation" (Attachment B) that most directly affect this Commission's mandate. Page 27 gives information on a new legislative study commission, "Higher Education Opportunity Study". A bill was introduced by Rep. Rhyne that would attempt to adapt into North Carolina law a bill similar to one enacted into law by the Louisiana Legislature. That law provides for the payment of tuition and fees for high school students completing a prescribed course of study and maintaining a 2.5 average. These would

be students who could not afford otherwise to go to college. This study commission will also be examining a bill introduced last session by Sen. Barnes which will attempt to repay in some way those North Carolina law students who took out loans to finish law school in N.C. and then spend a minimum of four years in public service in the state. Ms. Sabre noted that she mentioned this new study to the members because one of our subcommittees is dealing with higher education encouragement. A final report from this study to the 1991 Session of the General Assembly is due on December 5. Since the Education Commission is not mandated to make its report until the beginning of the 1991 General Assembly, the report of the Higher Education Opportunity Commission will be presented to members at the December or early January meeting in time for a response.

Rep. Bowman asked if Rep. Rhyne's legislation covered only those students above the 70th percentile and if there is any money from private sources. Jim Newlin of staff noted that in Louisiana they have open admissions (no minimum admission standards). Louisiana in this bill established minimum admission requirements of 17 1/2 units of core-curriculum and a grade point average of 2.5 for students applying for free tuition and fees. There is no private money involved in the payment of tuition and fees. The state underwrites the expense.

Attention was called to page 28, "Tech Prep Implementation", as one of our subcommittees is looking at "Tech Prep". Under this provision, the North Carolina "Tech Prep" Leadership Development Center at Richmond Community College is allocated \$50,000. Jim Newlin noted that there were also additional funds available from the Worker Training Trust Fund which is made available for equipment grants through the "Tech Prep" project.

Dr. Kahdy asked how much money was available from the Trust Fund. Pat Yancey of the Department of Public Instruction responded that there was \$250,000. That money will be used for the start-up costs, on a competitive basis, for the "Tech Prep" program. This money is expected to fund about 20 grants.

Ms. Sabre then called attention to page 36, "Basic Education Program". The BEP is not part of the mandate to this Commission, but she called attention to the establishment of a commission of 23 members that will study the BEP, how it has been implemented, and what effect it has had on the educational achievement of the state. The commission shall also examine the remainder of the schedule of implementation, review all items to be funded, consider the relationship between the BEP and the School Improvement and Accountability Act, and recommend any changes or

modifications to these two pieces of legislation. The report is due March 31, 1991. If an interim report is available on the work of this Commission, our members will be advised. This piece of legislation also changes the final operational date in each school administrative unit of the BEP from July 1, 1993 to July 1, 1995. The members of this study have been appointed, but have not begun meeting.

Attention was then called to page 43, "Cities-In-Schools Contract Authorization". This item is of interest to Subcommittee A, which is studying dropout prevention. This allows the Department of Public Education to contract with the city and school's dropout prevention programs in North Carolina to provide technical assistance in coordinating partnerships.

The next item mentioned on pages 43 and 44 is the "Joint Legislative Education Oversight Committee". This legislation is patterned after the Highway Oversight Committee and, unlike our Commission's study and the BEP study, this is a continuing study and contemplated to be on-going and to report to the beginning of every long session of the General Assembly. It is composed of 16 members and its duties and powers run the gamut of public school examination and any other educational matters that the committee considers necessary to fulfill its mandate. Item 3 under 120-70.81 has much of the same kind of mandate as our Higher Education Articulation and Encouragement subcommittee. Ms. Sabre stated members would be informed about the work of this oversight committee.

Ms. Sabre then called attention to pages 45 and 46 for the final resolution of the driver education issue. The Legislative Study on Drivers' Education has been added to the BEP study mentioned earlier. It is hoped that a report from this study will be available in time for our Commission's deliberations for our final meeting.

Page 50 contains a section on a bill introduced by Sen. Kaplan, Senate Bill 1524 (Attachment C), entitled AN ACT TO REQUIRE PARENTS TO SPEND TIME AT SCHOOL WITH THEIR CHILDREN. Section 24 of the Capital Appropriations Bill refers this issue to the Education Commission. Our Commission is also mandated in this study to consider the first edition of Senate Bill 1524 which has the requirement that the local boards of education adopt rules requiring parents or guardians of each student in public school to spend at least two days per school year at the school with the child. Failure to comply is an infraction and punishable by a fine of not more than twenty-five dollars. There is protection for parents who must leave their work to fulfill this law, and an appropriation of money for administrative costs. Rep. Crawford assigned this topic of study to Subcommittee A "Dropout Prevention".

Attention was called to page 51, and it was noted that the issue of governance was presented to members at our last meeting. The Legislature sent to the Task Force on Excellence in Secondary Education the method of studying education officials and educational governance, and it will report prior to the convening of the 1991 General Assembly. This does not prevent our studying the same issue.

Also on page 51, year-round education is one of the issues being examined by Subcommittee A. This study legislated by the General Assembly to the State Board of Education must report prior to the convening of the 1991 Session of the General Assembly. Our committee will be kept informed of the State Board's work on this matter.

Rep. Bowman asked, in regard to Sen. Kaplan's bill on "Parental Involvement in Schools", who would collect the \$25 fine for failure to comply with this bill. Ms. Sabre stated that as an infraction, although not considered a court cost, the fine would be assessable by the courts.

Page 55 lists an item not mandated to the Education Commission, but rather one which may be considered. This is a study of methods of increasing parental and teacher involvement in developing and approving local school improvement plans under the Performance-based Accountability Program. Section 7.2 tells that our study may include a number of provisions from House Bill 2367: (a) involvement of over fifty percent of the teachers in a local school administrative unit in developing the unit's local school improvement plan, for (b) a vote by teachers in each individual school for approving the strategies for that school for attaining the local student performance goals, and (c) for a vote by teachers and administrators before submission of a local school improvement plan to the State Superintendent for approval. The study may also include consideration of methods of involvement of substantial numbers of parents in developing the unit's local school improvement plan.

Ms. Sabre called attention to page 57, which shows a list of all standing bills (not budget bills) that affected education. Those of interest to our Commission in terms of our mandated study include, on page 87, Senate Bill 1615, AN ACT TO AMEND THE EXCEPTIONAL CHILDREN'S APPEALS PROCESS, TO PRESERVE FEDERAL FUNDS, AND TO SAVE THE STATE REPLACEMENT FUNDS (legislation dealing with handicapped children). The hearing procedure has been changed to work commensurate with requirements of the federal government. A summary of this procedure is found on page 12. Page 97 shows House Bill 1241, AN ACT TO CLARIFY THE ADMISSIONS STATUS OF PERSONS ELIGIBLE FOR IN-STATE TUITION AT THE UNIVERSITY OF NORTH

CAROLINA. This bill contains clarification of in-state tuition eligibility and provides that, if people are eligible for in-state tuition, they shall be considered in-state residents provided they have been either enrolled in a high school or in a GED program located in North Carolina. Jim Newlin stated this bill affects primarily military dependents in our state.

On page 103 is found House Bill 1679, AN ACT TO PROVIDE EARLY INTERVENTION, DEVELOPMENTAL SERVICES, AND EDUCATION TO HANDICAPPED CHILDREN FROM BIRTH TO FIVE YEARS OF AGE. This bill brings North Carolina into the pre-school education for the handicapped and into federally funded early-intervention and treatment for toddlers through the fifth birthday. Ms. Sabre noted this was probably one of the major pieces of legislation passed by the short session of the General Assembly. The summary of this bill is on page 13 of the report.

On page 115 is found House Bill 2335, AN ACT TO IMPLEMENT THE JOINT REPORT TO PROVIDE MANAGEMENT INCENTIVES AND FLEXIBILITY FOR THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA AND TO REQUIRE THE CREATION AND ENHANCEMENT OF A PROGRAM OF PUBLIC SERVICE AND TECHNICAL ASSISTANCE TO THE PUBLIC SCHOOLS. Mr. Newlin noted this was primarily a bill affecting the fiscal operations of the University system, allowing them to consolidate the budget structure to have more flexibility as to how they spend funds appropriated by the General Assembly. The bill allows them to move funds into academic instruction and the libraries from other areas. It also has potential to reward the University system for getting more outside research grants because it phases down the amount of funds that the General Fund would receive from overhead receipts. It raises for all agencies the bidding requirements from \$5,000 to \$10,000, affecting public schools and community colleges as well as the University system.

Jim Johnson and Jim Newlin made the next staff presentations reviewing the 1990-91 budget. Jim Johnson began by calling attention to Attachment D "North Carolina State General Fund Operating Appropriations for Public Schools, Community Colleges, and Higher Education 1965-66 to 1988-89. The important item about these figures is that appropriations for salary increases go into a legislative salary reserve fund in the Office of State Budget and Management. After the General Assembly has made its appropriations to the various categories, the Office of State Budget then transfers the appropriate amount from that fund to public schools, community colleges or the Universities. The figures seen on this attachment are the figures after those transfers for salary increases are made. The public school budget is about \$3.3 billion, the community colleges

\$387 million, and the Universities \$1.1 billion. The University funds include those monies that go to the private colleges. For the public schools, the total difference between 1990-91 and 1989-90 is around \$194.7 million, of which \$167.76 million is the salary increase fund. Mr. Johnson stated the public school funds are on track with the cash flow projection, and there are expected to be no reductions during the next quarter.

Mr. Johnson then called attention to Attachment E, a document summary of legislative actions for 1989-90. Pages 7-10 contain a summary of actions of the Legislature in 1989. Page 10 begins a list of all special provisions in the Appropriations Bill 1989. Page 14 shows legislative actions of the 1990 Session. The first set of actions shows action taken with regard to the Department of Public Instruction budget. There are several reductions, with item 3 showing the Department share of the negative reserve (the amount of money the Department had to reduce). The total of this is \$2.6 million. Following are additional reductions occurring in the Public School Fund, with total reductions of \$162,951,314. In large part those reductions were in increases already granted. Rep. Crawford stated that, in order to put all this in perspective, we should look at what the public schools have sent back to the General Fund the past few years. Year before last, the public schools reverted about \$60 million.

Rep. Bowman asked about the use of Senate Bill 2 funds for the negative reserve. Mr. Johnson stated there were about 20 school systems that have elected to do that. The Attorney General's opinion is that a local Board of Education has that authority.

Mr. Johnson ended his presentation by calling attention to page 15 for increases made in the Public School budget. Jim Newlin then followed, presenting figures from Attachment D for the University and Community College system. Community Colleges has a budget for 1990-91 of \$387.6 million (including salary increases), accounting for 5.35 percent of the total General Fund budget. He noted this indicated a continuation of a steady decline from 1983-84, when the Community Colleges were about 6.1 percent of the budget. The budget for the University System and the private colleges is \$1.14 billion, 15.74 percent of the total budget. This is the lowest since 1979-80.

Mr. Newlin then called attention to page 5 of Attachment E, for the 1990 Legislative actions dealing with Community Colleges. Reductions and funding increases are listed. He stated that enrollment funding (Item 1. Expansion Budget) is on a retroactive basis rather than a projected enrollment. He pointed out regarding reserve for equipment and book

purchases (Item 2, page 6), that this is not a new increase. It is, rather, a restoration of part of \$7.5 million of previous appropriations that had been rescinded by the Governor in his effort to balance the budget in 1989-90. Equipment and book reserves do not revert if not spent at the end of the year.

Page 25 shows Legislative actions for the University system, with reductions of \$54.7 million and a net budget change of (\$55) million, prior to salary increase funds.

Susan Sabre then was called on to give perspective to the mandate of the commission and what additions there are to that charge. She called attention to Attachment F, a listing of subcommittee responsibilities as they were assigned before the 1990 session of the General Assembly. She then proceeded to go through those to eliminate issues which have been dealt with either through reports from the subcommittees or by action taken by the General Assembly.

Subcommittee A: Remediation; Dropout Prevention; Concurrent Enrollment Encouragement. Charlotte Ashcraft, staff to this subcommittee, was not present, but will be consulted if there are any questions as to whether or not certain issues have been dealt with. It was the belief of staff present that most of the items assigned to this subcommittee have been considered. Item 1. (Please see Attachment F for a detail of issues.) Most of this issue is included in the study mandated by Sec. 37 of Senate Bill 43. Item 2. There has been a report on (c). Reports have been received regarding (a), however, according to Jim Johnson the subcommittee had some concerns about the implementation of Sen. Ward's bill that required public schools to report to community colleges the students who had dropped out. When they looked at this information, the track record was not good, so they will probably want to revisit this issue. The subcommittee has not considered (d). Item 3. Have had a report on (a). Does not know whether subcommittee wishes to consider further (b). Does not believe a report has been finished for (c).

Subcommittee B: All of those items remain on the agenda for the subcommittee.

Subcommittee C: The Subcommittee has taken a look at items 1-3; no policy recommendations have been made. Tech Prep, however, has received 1990-91 funding from the General Assembly. The Subcommittee may want to endorse funds for Tech Prep to the 1991 Session of the General Assembly.

Subcommittee D: It was reported that Subcommittee D met after the last full Commission meeting. Sen. Martin's Senate Bill 751 was refined, reworking the formula of drawdowns of

the grants for schools containing a certain proportion of children who met the needs criteria. Because of budget considerations, this was not funded. The issue of educational equity remains with the subcommittee. Items 2 and 3 remain a major concern for the subcommittee.

It was noted by Ms. Sabre that Rep. Crawford earlier in the meeting had referred the mandated parental involvement (Senate Bill 1524 - Attachment C) to Subcommittee A. She asked the chairman if this was a good time to examine the parental and teacher involvement in school improvement programs (two issues referred to the Education Commission, but not mandated to be studied (page 55 of Attachment ~~E~~)^B). After discussion, Sen. Martin motioned that Sections 7.1 and 7.2 on page 55 be considered and assigned to a combined Subcommittee A and B. It was decided to combine the subcommittees because Subcommittee A has already considered most of its issues. This new combined subcommittee will be chaired by Rep. Walker; motion carried.

Rep. Walker asked if staff had enrollment figures for the last ten years to parallel with figures on Attachment D "General Fund Operating Appropriations". Staff will provide those figures to the Commission.

The date of Monday, November 19, was set for the next meeting, with subcommittees to meet at 10:00 a.m. (the subcommittee Chairmen have the option of meeting on a date prior to November 19), and the full Commission to meet at 1:00 p.m. on the 19th. There being no further business before the Commission, Co-Chairman Crawford adjourned the meeting.

Respectfully submitted,

Becky Hedspeth
Becky Hedspeth
Clerk

Rep. J.W. Crawford, Jr.
Co-Chairman

Sen. Marvin Ward
Co-Chairman

EDUCATION STUDY

November 19, 1990

Subcommittees A/B, C and D of the Education Study met on Monday, November 19, 1990, at 10:00 a.m. The full Commission met at 1:00 p.m. in Room 1228 of the Legislative Building. Present were Co-Chairmen, Sen. Ward and Rep. J. W. Crawford. Members present were Representatives Bowman and Walker; Senators Conder and William Martin; Pam Brewer (present only for subcommittee meeting), Sandra Livesay, Joseph Kaylor, Carl Eagle, Linwood Parker, Myra Copenhaver, Jay Robinson; Tom King representing President Scott; Roger Jackson representing Superintendent Etheridge; and Jackie Jenkins representing Dr. George Kahdy.

Sen. Ward, Co-Chairman, called the meeting to order and called on members and audience to introduce themselves. Rep. Crawford motioned to accept the minutes of the October 8, 1990, meeting; motion carried.

Sen. Ward then called on chairmen of the subcommittees for their reports. First to report for the combined Subcommittees A and B (Remediation; Dropout Prevention, Concurrent Enrollment Encouragement; Joint Use of Resources) was Rep. Walker. Her report is added to these minutes as Attachment 1. She provided members who were not members of the subcommittee with a sheet of questions and answers on the "drop-out referral law". See Attachment 2. She reported her subcommittees would need another meeting.

Tom King, representing President Scott, presented the report from Subcommittee C (Higher Education Encouragement; Articulation). See Attachment 3. He noted there were 66 local school systems sending in a request for grants for the Tech Prep implementation program. It was thought originally that a \$50,000 grant would be provided; after working with Richmond Community College, it was determined that a \$25,000 grant would be sufficient to start the program. This enabled 11 sites to be selected.

Sen. Conder presented the report from Subcommittee D (Equity in Education). See Attachment 4. Don Liner made a presentation to the subcommittee on "Spending and Employment in the Public Schools". See Attachment 5. Subcommittee D plans to meet again on December 6 at 1:00 p.m. in order to complete their work.

Dr. Suzanne Triplett, Assistant State Superintendent, Department of Public Instruction, presented a report on the Scholastic Aptitude Test to members. See Attachment 6 for an

analysis of current data on the S.A.T. and Attachment 7 "North Carolina S.A.T. Test Results". By way of background, Dr. Triplett reported that in 1989 North Carolina dropped to the bottom of the states in S.A.T. scores. In response to that, Superintendent Etheridge asked each school district to provide access to their data. Up until that point, the state agency did not have access to individual school district reports. One hundred twenty-eight school districts did provide that information. Attachment 6 is a result of analysis of that data.

Dr. Triplett's comments were centered around so-called "excuses" as to why North Carolina is, as of 1991, next to last on the S.A.T.

The first excuse is that too many of our students take the S.A.T. The table on page 1 shows results in the 24 states using the S.A.T. (other states use the A.C.T. as a basis for college entrance). Dr. Triplett stressed that the better way to compare North Carolina with other states was to use these 24 states. These states each have more than 40 percent of their senior class taking the S.A.T. North Carolina ranks 15th; 14 of these states give the S.A.T. to more seniors than N.C. Only 6 states give less than 50 percent of their students the S.A.T. North Carolina administers the test to 55 percent of graduating seniors. She stated it could be argued that not enough of our students take the S.A.T.

Another argument is that North Carolina should administer only the A.C.T. Some of our students do take that test; however, the chart on page 3 shows very similar patterns to the S.A.T. score results.

Another excuse is that too many students taking the S.A.T. are females. Dr. Triplett reported that females do not score as well as males on the S.A.T. Page 6 shows a comparison of females and males. Females score 44 points below males in North Carolina; however, comparing females in North Carolina with the national female average, there is a 55 point gap. Looking at the scores for males in North Carolina, there is a 74 point gap. Three percent more females are tested in our state than tested nationally.

Another excuse is that too many of our low achieving students take the S.A.T. There is no chart included in the handout for this data; however, Dr. Triplett reported that in looking at the lowest 25 percent of students taking the S.A.T., the gap between here and the U.S. average is 30 points. In looking at the highest achieving students, there is a 70 point gap between our students in North Carolina and students nationally.

Another excuse is that too many blacks take the S.A.T.

Page 7 shows that our black students in North Carolina do score 185 points less than our white students. In looking at the charts comparing our blacks with their counterparts, with blacks the gap is 41 points. With white students, the gap is 56 points. This data shows that our black students score closer to their counterparts nationally than our white students.

Another excuse is that families in North Carolina are poorer than those in other states, thus the students from those poorer families should not be expected to score as well as students in other states. Page 8 shows that the only place where we score above other groups is at the lower end of the economic scale. Looking at the highest economic end of the chart, we are 50 points below our counterparts nationally.

Another excuse is that we are less well educated in North Carolina than in other states; therefore, our students do not have the same advantages at home as other children. Refer to the chart on page 9 showing parent educational level: with no diploma, there is a 42 point gap; in looking at those with a B.S. degree, there is a 54 point gap; looking at those with graduate degrees, there is a 61 point gap. North Carolina does not look good in any of these subgroups, but looks worse when comparing the most advantaged students.

Dr. Triplett left the area of excuses and suggested this data does point to some reasons why we do not score well.

(1) Students do not take the more rigorous academic courses; page 10, showing participation rates in 20 or more academic courses, shows that in North Carolina only 29 percent of our students have those 20 or more courses when they take the S.A.T. Nationally, that percentage is 39 percent. We do compare relatively well with Georgia and South Carolina.

(2) Dr. Triplett stated that, even for those students in North Carolina taking 20 or more academic courses, the courses are not rigorous enough. Those taking these courses score a full 67 points lower than the national average. One of Superintendent Etheridge's recommendations in his "20 Points" is that Algebra 1 and Biology be required courses. Page 11 shows participation indices. The charts on the following pages support her contention. The S.A.T. splits students according to the grades they receive. Page 16 shows that the A+ students in our state score 1103 on the S.A.T. Nationally, the average is 1178, a gap of 75 points. There is a 157 point difference between our A+ students and those in New York. We score 32 points less than A+ students in South Carolina, 90 points less than A+ students in Virginia. In looking at A students, the discrepancy is even greater.

Our A students score 81 points less than A students nationally. Our A- students score 90 points less than A- students nationally.

(3) Students are not properly prepared or advised to take the courses they need. Dr. Triplett supported this by looking at the records of individual students shown on pages 17-19.

She then called attention to a booklet "North Carolina S.A.T. Results" (Attachment 7), which repeats a lot of what she shared with members, as well as giving a school-district-by-district listing of participation rates and math and verbal scores. It also selects school districts that have been relatively successful on the S.A.T.

Dr. Triplett then answered questions from members. It was pointed out by Sandra Livesay that not all students have access to advanced placement courses.

Rep. Bowman asked why the Department of Public Instruction could not increase the requirements for students to take these rigorous courses. Dr. Triplett stated that the department is recommending an increase in high school graduation requirements to include Algebra 1 and to reinstate Biology as a required course; and they are trying to track the University system in the high school graduation requirements. She reiterated that this would not be a "quick fix" because we have seen from data presented that even those students taking those courses are not scoring as well. Rep. Bowman asked about guidelines for scoring, and Dr. Triplett stated that there were no cut-offs at present as far as passing a course or for what a grade might be.

Rep. Crawford asked what the situation would be with finding qualified teachers if more advanced courses were required. Roger Jackson, Department of Public Instruction, stated there is a specific training program for teachers to prepare for advanced placement programs. Dr. Triplett reiterated that not only was the Department concerned about advanced placement courses, but also was concerned about basic courses such as Algebra 1, Geometry, and Biology. One of the major items the Department is looking at now is how to look at outcomes and how well students are doing in courses to determine whether they move on to the next course without having to spend a full year in a course such as Algebra 1.

Rep. Bowman asked to have a change made in the Subcommittee A & B report. In the first paragraph, last sentence, change the word "receiving" a driver's license to "continuing".

A time for the next meeting was set for Wednesday, December 12, 1990, at 2:00 p.m. in Room 1228 to receive the

recommendations for Commission action from the subcommittees. Combined subcommittees A and B, as well as Subcommittee C, have the option of meeting that morning or choosing another meeting time. Subcommittee D was reminded that it would meet on December 6 at 1:00 p.m. in Room 634 of the Legislative Office Building. A tentative date of January 8, 1991, at 10:00 a.m. was set for the final meeting.

There being no further business before the Commission, Co-Chairman Crawford adjourned the meeting.

Respectfully submitted,

Becky Hedspeth
Becky Hedspeth
Clerk

Sen. Marvin Ward
Co-Chairman

Rep. J. W. Crawford, Jr.
Co-Chairman



EDUCATION COMMISSION

December 12, 1990

The Education Study Commission met on Wednesday, December 12, 1990, at 2:00 p.m. in Room 1228 of the Legislative Building. Present were Co-Chairmen, Sen. Marvin Ward, and Rep. J. W. Crawford, Jr. Members present were Robert Scott, Jay Robinson, Rep. Fred Bowman, Rep. Lois Walker, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, George Kahdy, Barbara Tapscott, Linwood Parker, Sen. William Martin, Sen. Richard Conder, and Ann Berlam representing Superintendent Etheridge.

Rep. Crawford, Co-Chairman, presided and welcomed members. Subcommittee A/B and Subcommittee C met at 10:00 a.m. before the full Commission meeting to finalize their recommendations.. Subcommittee D had met on December 6. Each Subcommittee chair reported at this meeting their final recommendations in order for the members of the full Commission to decide whether to include the recommendations in the final report.

First to report was Rep. Walker, chair of Subcommittee A/B. Serving with her on this subcommittee were Barbara Tapscott, Rep. Bowman, Joseph Kaylor, Jay Robinson, Carl Eagle, Darrell Frye, and Jane Johnson. Her report is included with these minutes as Attachment 1. She explained further about the Vocational Textile School, that it was set up in 1941 as a separate agency of the state and has not been revised since then. The idea is to put it under the umbrella of the Community College system so that staff is contracted like teachers, rather than state agencies. She also commented on the Community Colleges funding specialized technology centers as a cost-effective method for job training, that these would be regional centers which would provide more technology than with each school trying to provide a technology center.

Robert Scott moved to accept this report and recommendations; motion carried.

The recommendations for Subcommittee C were presented by the chair, Robert Scott. Serving with him on this subcommittee were Sandra Livesay and George Kahdy. As a part of his report, he provided members with Attachment 3 "A Resolution by the North Carolina State Board of Education, The North Carolina State Board of Community Colleges, and the Board of Governors of the University of North Carolina". The Subcommittee had recommended as "Priority III" that the Education Commission encourage the three boards to strive to

reach these goals, and to review, revise and add to these goals as needed.

He also provided Attachment 4 "The Report of the Governor's Commission on Workforce Preparedness". His subcommittee concurs with its recommendations to go to two high school curriculum options by 1994-95; College Preparatory and Technical Preparatory, with both curriculums stressing academic excellence. He stated the question had been raised "would we be dropping general education in the high schools". He said "no", but that they were proposing, in effect, that the general education program be strengthened, but focused on one of these two tracts.

Sen. Martin asked a question about the Workforce Preparedness report language on page 3 which stated "we would eliminate the general education curriculum". President Scott stated his subcommittee had discussed that and decided that was a poor choice of words. The actual program would be folded into the college prep and technical prep and actually upgraded. Sen. Martin then asked if applied technology would be a separate curriculum. President Scott stated it would not be separate, but one of the alternates within the technical prep area. Dr. Wilson, with Community Colleges, stated that the applied technology program is designed primarily as an alternative to tech prep, and is a combination of vocational or technical training and academic training to prepare students for the workforce. It still requires upgrading the academic preparation in order for them to participate in the program. Tech Prep students would meet the minimum admission requirements for the University system; applied technology students would not necessarily meet those standards, but would be prepared to enter a community college for additional advanced vocational training. President Scott stated it was anticipated that by 1994-95 standards would be upgraded so that students in Tech Prep would be able to make the switch to College Prep.

Rep. Bowman moved to accept the recommendations of Subcommittee C; motion carried.

Subcommittee D's report was presented by the chair, Sen. Conder. Serving with him on this subcommittee were Pam Brewer, Myra Copenhaver, Bob Etheridge, Sen. Martin, and Linwood Parker. It is included with these minutes as Attachment 5. Sen. Martin motioned to accept the recommendations; motion carried.

Rep. Crawford then thanked staff for the good job they had done. Susan Sabre stated she would mail a draft of the final report to members on January 4 for them to review prior to our next meeting on January 8. At that meeting, members will be able to make any changes they wish to the report.

Linwood Parker stated that at our October meeting we had voted to send Sections 7.1 and 7.2 of House Bill 2367 to Subcommittee A/B and asked if this would be a part of the final report. In reviewing minutes and the report from Subcommittee A/B, it was found that this was an issue the subcommittee did not have time to consider. It will be recommended for further study in the final report.

Sen. Martin moved that we include in the recommendations from Subcommittee D "the restructuring of the BEP core requirements to include courses, such as calculus, that are not considered essential courses for the education of all children in North Carolina, and the appropriation of funds necessary to accomplish this restructuring". The motion carried.

There being no further business, the meeting adjourned.

Respectfully submitted,

Becky Hedspeth
Clerk



EDUCATION COMMISSION MEETING

January 8, 1991

The Education Commission met on Tuesday, January 8, 1991, in Room 1228 of the Legislative Building. Presiding was Sen. Marvin Ward, Co-Chair. Also present were Rep. J.W. Crawford, Co-Chair; Rep. Bowman, Superintendent Bob Etheridge, President Robert Scott, Dr. Jay Robinson, Sandra Livesay, Pam Brewer, Joseph Kaylor, Carl Eagle, Dr. George Kahdy, Linwood Parker, Myra Copenhaver, and Dr. Weaver Rogers representing Barbara Tapscott.

Co-Chair Ward opened the meeting and called for approval of the minutes of the last meeting, and it was so moved by Rep. Crawford; motion carried. Susan Sabre, staff attorney, was recognized to go over the recommendations and the proposed legislation for transmittal to the 1991 General Assembly.

She referred to Attachment 1 for the recommendations from the Subcommittees and Attachment 2 for proposed legislation to carry out those recommendations. She began with recommendations from Subcommittee A/B (Legislative Proposal 1).

On Recommendation 1 (1), Superintendent Etheridge pointed out that at present the top 16 units in the State were receiving an incentive grant for a three-year period to reduce dropout rates, and so this recommendation is already being carried out by administrative rule. It was pointed out by Ms. Sabre that this proposed legislation is designed to support and encourage the current efforts by the Department of Public Instruction. It was suggested by Mr. Eagle that the wording be changed to "direct the State Board of Education to encourage local units to explore alternative programs with Senate Bill 2 flexibility". After discussion, Mr. Eagle moved approval of Recommendation 1 (1) subject to the modification.

After going through the additional items under Recommendation 1 and Recommendation 2 (no legislation required), President Scott moved for approval; motion carried.

Recommendation 3 (Legislative Proposal 2). Ms. Sabre pointed out a correction that needed to be made in the proposal under Section 1. A period needs to be put after "remediation" and the rest of the sentence deleted, as there is no agreement in existence between Cape Fear Community and UNC Wilmington. Rep. Bowman moved approval of Section 1; motion carried. President Scott moved approval of Section 2;

carried.

Recommendation 4 (Legislative Proposal 3). Under Section 1, President Scott moved to delete the words "fund and"; motion carried. Superintendent Etheridge moved to delete the words "including the use of public school buses". He stated that the transportation methods could then be inclusive and include the use of city buses as well as school buses. Motion carried.

Rep. Bowman asked about a cost for Section 2; Ms. Sabre noted there was no cost for the proposal as it reads. What may come out of the implementation of the proposal, however, would have a cost. Rep. Bowman then moved acceptance of Section 2; carried.

Recommendation 5 requires no legislation. It simply lends legislative support. Superintendent Etheridge moved approval; carried.

Recommendation 6 from Subcommittee C. The Subcommittee's top priority is given to implementing Tech Prep statewide. For Legislative Proposal 4, it was decided that the legislation needed to include the last sentence from the recommendation regarding federal funds. President Scott moved adoption of the recommendation with the modifications; carried.

Recommendation 7 (priority 2) (Legislative Proposal 2). In response to a question from Rep. Bowman about funding, Ms. Sabre stated this was a bill that would need to be costed out. It was agreed that wording needed to be added to Section 5 to encourage the cooperation of the local school units. In Section 6, members decided, upon motion by Rep. Bowman, to change the word "comfort" with "understanding of". Dr. Kahdy moved approval of the legislation with the modifications; motion carried. Those items in Recommendation 7 not requiring legislation were discussed. Regarding (9) it was decided to delete "high school" and look at all students needing encouragement.

Recommendations 8 and 9 from Subcommittee C required no legislation and were approved.

Recommendation 10 from Subcommittee D (Legislative Proposal 6) was discussed. It was agreed to add the word "needy" after the word "small" in Section 1. Mr. Parker moved to accept Section 1 with that change; carried. The \$11,900,00 figure is understood to be going to those school systems of under 3,000 students who are defined as needy. This allows the Appropriations Committee to look, not just at small school systems, but also at their need.

For discussion of Section 2 of the legislation, Mr.

Parker had prepared a chart "Into the Next Decade: A Program for School Construction" (Attachment 3). The proposed program, as explained by Mr. Parker, is divided into four quartiles with a match program. Fifty million dollars would be required to fund \$500 million of bonds. If this issue is put on the ballot in 1992 and approved, the funds would probably not be expended until 1994-95. If these funds are then transferred to an interest bearing account, they would yield \$720 million, which is the state's part, and which would be only \$30 million short of the total \$750 million State contribution required. Mr. Parker stated that, if the timing is adjusted by carrying the first payment over to the next year, there could be a \$20 million surplus.

Mr. Parker reported that in subcommittee discussions questions arose about the money being used on bonds already in place. He felt this could be addressed in a similar method such as the tax laws on the sale of a house, going back 24 months to determine the match. This concept would raise \$1.2 billion of funding which would build at least two schools in every county in this State. Rep. Bowman moved approval of this section; carried.

Sections 3 and 4 were approved. Carl Eagle moved to delete Section 5 since this involved a change in the BEP and there was a BEP study going on at present; motion carried.

President Scott moved adoption of the entire report subject to the modifications specified, with Superintendent Etheridge seconding. The motion carried. There being no further business before the Commission, Sen. Ward adjourned the meeting.

Respectfully submitted,

Becky Hedspeth
Clerk



2/15/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE A: REMEDIATION; DROPOUT PREVENTION;
CONCURRENT ENROLLMENT ENCOURAGEMENTI. DROPOUT PREVENTION

- o Student tracking (dropouts and "stopouts");
 1. Report on progress of public schools in reporting dropouts to community colleges and community college follow-up.
- o Co-location of educational facilities (e.g., Bartlett-Yancy High School and Caswell County satellite of Piedmont Community College);
- o Evaluation of current joint high school and community college programs such as "Tech Prep" and "Two Plus Two" for their impact on dropouts;
 1. Report and implementation of Tech Prep program.
- o Teaching of public school students' drivers' education by community colleges and linking the issuance of permanent licenses to public school attendance and/or graduation in other states.
 1. Number of school systems that have eliminated drivers education from the regular instructional day.
 2. Report on linking of the issuance of drivers licenses to public school attendance and graduation.

II. REMEDICATION

- o Establishment of minimum standards for remediation and reduction of remediation through cooperation among public schools, community colleges and universities. The subcommittee should schedule a time to receive a report from these systems on the remediation study mandated by Section 37 of Senate Bill 43.
 1. Review the joint report of the Board of Governors of the University of North Carolina and the State Board of Community Colleges on remedial education.
 2. Review of joint report of the Board of Governors of the University of North Carolina, the State Board of Community Colleges, to the Department of Public Education and local school systems on students attending post secondary education.

III. CONCURRENT ENROLLMENT ENCOURAGEMENT

- o Evaluation of current programs such as the "Huskies bill" and Duel Enrollment programs.
 1. Report of the joint task force of the State Board of Education and the State Board of Community Colleges on Articulation.



2/15/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE B: JOINT USE OF RESOURCES

I. SHARING RESOURCES

- o Cooperative purchasing;
- o Provision of scientific and technical equipment;
- o Funding of joint projects;
- o Examination of innovative ways to share appropriate faculty resources;
- o Joint use of transportation management resources and motor vehicles and review of report from Public Instruction and Community Colleges as mandated in Section 86 of Senate Bill 44; and
- o Community College use of public school campuses after hours, weekends, and summer. In conjunction with this issue, the subcommittee may wish to discuss the evaluation of current public school after hours, weekend and summer use of schools, as well as the pilot "year-round" school projects.

Resources:

- Presentation on "Tech Prep" program models.
- Staff from DPI, Community Colleges, and University.
- Report on Wake County year-round school project.

Data Requests:

- What administrative or legislative barriers are preventing more cooperative purchasing.
- How many faculty teach in both community colleges and universities.
- What financial incentives are needed for cooperative programs.

II. SATELLITE CAMPUS EXPANSION

- o Evaluation of the study from the State Board of Committee Colleges as required by Section 23 of Senate Bill 43. Consideration of this issue may be in conjunction with Subcommittee A's study of co-location of high school and community college facilities.

Resources:

- Staff from Community Colleges.

Data Requests:

- Report from State Board as required by special provision.
- Map with location of Community Colleges and satellites.

III.

REGIONAL COOPERATION

- o Review and evaluation of reports from the State Board of Community Colleges and the Board of Governors on progress made in the area of regional programs, as mandated by Section 25 of Senate Bill 43.

Resources:

- Staff from Community Colleges and University system.
- Presentation on model regional programs.

Data Requests:

- Report from State Board of Community Colleges and Board of Governors as required by special provision.
- Map showing regional program locations.

2/15/90

**SUBCOMMITTEE C: HIGHER EDUCATION
ENCOURAGEMENT: ARTICULATION**

February 15, 1990 Meeting

Members/Representatives Present

President Bob Scott, Chairman

Ms. Sandra Livesay

George Kahdy, representing the Governor's Office

Ms. Jane Worsham, representing Ms. Pat Neal, State Board of Education, who will be Howard Haworth's designee on the Commission

The Subcommittee discussed the various charges to the group, and reviewed examples of literature and research available on those topics assigned to the Subcommittee. The Subcommittee developed a work plan which proposed to address those topics in the following priority order.

Priority I

Tech Prep/Two Plus Two Projects

The Subcommittee will review data on effectiveness, needs, costs, problems and status of these programs at its March 14, 1990 meeting. The potential for expansion of these efforts statewide to meet the goals of higher education encouragement and articulation will be reviewed.

Priority II

High School/Community College/Higher Education Cooperative Programs; Articulation

The Subcommittee will address efforts in advanced placement, minority recruitment and graduation in higher education, transferability of college credits, and further potential cooperative efforts. These topics will be discussed at the April 10, 1990 meeting of the Subcommittee.

Priority III

Joint Educational Policy Goals

The Subcommittee will review current proposed educational goals of the federal government, the Southern Regional Education Board and its member states, and various goals and missions for education in North Carolina. The Subcommittee will seek to develop linkages among those systems in planning educational policy initiatives and in setting common goals.

Priority IV

Revaluation of vocational education

The Subcommittee will review previous studies of vocational education in North Carolina, and will review material on what skills employers feel are necessary for success in the work force of the future.

The Subcommittee plans to meet on the mornings when the full Commission will meet in the afternoon. The Subcommittee will call additional meetings as necessary.



2/15/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE D - EQUITY IN OPPORTUNITY

10:00 A.M., ROOM 634, LEGISLATIVE OFFICE BUILDING

- (1) Staff review of Subcommittee issues
- (2) Presentation by Peter Leousis of the Forum, on the Rural Initiative Study
- (3) Committee discussion:
 - (a.) Priority of issues to be studied
 - (b.) Time frame of study
 - (c.) Individuals and organizations needed to participate in each issue's study
 - (d.) Any other recommendations or considerations
- (3) Consideration of next subcommittee meeting
- (4) Directions to staff
- (5) Adjournment

All the members of Subcommittee D were present at this morning's meeting: Chairman Richard Conder, Senator William Martin of Guilford, Superintendent Bob Etheridge, Pam Brewer, Myra Copenhagen, and Linwood Parker.

Staff briefly reviewed the issues before the subcommittee, which were designated for the subcommittee by the

full commission at its first meeting. Peter Leousis of the Public School Forum gave a presentation on the Forum's study of rural initiatives in education, specifically focussing on the issue of local funding. His study led the subcommittee to decide that the first priority of its study of Equity in Opportunity should be a careful examination of State/local funding. At the Chair's suggestion, the subcommittee decided to begin this examination with an evaluation of the possibility of funding all public education operations and programs at the State level and of providing State funds for this funding by returning some portion of the sales tax now going to localities to the State. Such a concept would not necessarily eliminate local supplements but, rather, would work in concert with the BEP and Senate Bill 2 to raise the "floor of educational opportunity," and make it available to all systems while not changing local administration and control. Staff was asked to prepare this topic for presentation at the next subcommittee meeting. The subcommittee also decided to examine public school facility inequities and will, at its next meeting, if possible, discuss whether the funding shift it considers for operations and programs could, eventually, be undergone to guarantee equity in school facilities. The subcommittee will, of course, involve the Association of County Commissioners and the local boards ~~of~~ *and* superintendents as well as finance and revenue experts in all its discussions.

The subcommittee decided that it would need extensive subcommittee time to work on these issues and that it would not be ready, after its next meeting, to report to the full commission. It wishes to suggest to the full commission that the dates reserved for the commission, March 14 and April 10 be used for necessary subcommittee meetings instead of full commission meetings. It set its next meeting date for 10:00 a.m., in Room 634 of the Legislative Office Building.



3/14/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE B - EQUITY IN OPPORTUNITY

10:00 A.M., Room 1228, LEGISLATIVE BUILDING

Presentation by Tom King:

- Creation of articulation committee that meets regularly and brings in staff as needed is important.
- Regular meeting of CEO's of the three educational systems.
- Regular meetings of faculty and teachers in each system.
- Convincing people, not rules, is only way to make cooperation happen.
- Best way to share facilities:
 - County commissioners see the value of joint use so they put money in public school budget for utilities. They see it is less expensive than building a new building for community college.
 - Shared use of equipment for vocational equipment is helpful.
 - Cannot now jointly purchase equipment. One should purchase and make it available to other.
 - University has been the least willing to participate in cooperative programs. They should do more in the following areas:
 - Loan professors
 - Provide training for professional development
 - Do a better job in accepting community college credits for transfer
 - Examination of use of quarters or semester system to develop more ease of credit transfer to UNC.
 - Best joint agreements come out of new leadership. "As people get more mature, they often become less flexible."

How do we motivate without mandating?

- Maybe an exchange of high school and community college teachers could be helpful (or

joint staff development).

Presentation by Jessie Rae Scott on Community Schools:

- 1977 General Assembly enacted law creating Community Schools Program to:

- . get more people involved in schools
- . encourage use of school facilities beyond the school day to maximize resources
- . before and after school care
- . summer enrichment programs
- . special events for senior citizens
- . alternative educational opportunities

- One of the least expensive programs for the return.

State pays 2/3 of cost (\$32,000) and locals pay 1/3.

- One of the few states that provides this service. There are 134 people designated across the state to run the program (one in each school district).

- Only occasionally are there problems with who pays for utilities and janitor.

- There are regional meetings between public schools and community college personnel for these programs.

- There are 8 public/private compacts that involve a "triangle" of business, public school and community colleges. (They receive \$10,000 each).

- Every LEA has a policy of use for school buildings and a fee structure.

- Sometimes the principal can be a stumbling block for cooperation, but not often.

- S.B. 2 may impact the community schools program in the future.

3/14/90

North Carolina Department of Public Instruction

COMMUNITY SCHOOLS REPORT

STATEWIDE TOTALS

July 1, 1986 - June 30, 1987

1. Volunteers

159,856 Total individual volunteers
 2,144,778 Total volunteer hours
 1,856 Number of schools using volunteers

2. Adult Courses

8,490 Total number of adult courses offered
 489 Number of co-sponsoring agencies/
 institutions
 123,875 Total enrollment
 680 Number of sites used for classes

3. After School Care

16,489 Total individuals enrolled
 285 Number of sites used

4. Before School Care

4,815 Total enrollment
 96 Number of sites used

5. Summer Activities

92,768 Estimate number of individuals who
 participated in summer activities
 (exclude recreational teams & K-12
 summer school)

6. Partnerships

5,170 Estimate the number of partnerships

7. Communication

138 yes 0 no
 Does the LEA have a
 Communication/Public Information
 Program?

8. Foundations

61 yes 68 no
 Does a local foundation/fund serve
 the LEA?
 \$2,081,250 Approximate amount of money
 contributed to the LEA this year

9. Community Use of Facilities

67,779 Number of community meetings,
 cultural performances and other
 events held in school buildings.
 Estimated attendance at the following:
 1,311,282 Community meetings
 968,771 Cultural performance/events

10. Special Populations

59 yes 67 no
 Does Community Schools sponsor
 programs/events for handicapped
 citizens?
 8,227 Total number of handicapped citizens
 participating
 79 yes 54 no
 Does Community Schools sponsor
 program/events for senior citizens?
 19,753 Total number of senior citizens
 participating
 40 yes 86 no
 Does Community Schools sponsor
 programs/events for pre-schoolers?
 6,957 Total number of pre-schoolers
 participating

11. Recreation

1,661,283 Estimate number of individuals
 participating in recreational programs
 1,644 Number of sites used for recreational
 programs

12. Community Schools Advisory Council(s)

640 Total number of Community Schools
 Advisory Councils
 4,952 Number of members this year
 1,719 Number of times council(s) met this
 year

13. Sites

1,220,073 Estimate number of hours sites were
 used for Community Schools purposes.



3/14/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE D - EQUITY IN OPPORTUNITY

10:00 A.M., Room 634, LEGISLATIVE OFFICE BUILDING

I. Presentations in Equity in Funding, focusing on the concept of total State funding:

- (1) Dave Crofts, Fiscal Research Division, General Assembly
- (2) Jim Blackburn, Legal Counsel, Association of County Commissioners
- (3) Ran Coble, North Carolina Center for Public Policy Research
- (4) Other presentations from interested persons

II. Subcommittee discussion

III. Directions to staff

IV. Setting of next subcommittee meeting

MINUTES

Senators Conder and Ward, Representative Crawford, Myra Copenhaver, Pam Brewer, and Tony Copeland, representing Superintendent Etheridge, were present. Senator Martin had called to notify the subcommittee that he would not be present because of a conflict in scheduling.

The subcommittee meeting focused on the issue of funding inequity and ways to solve it.

Dave Crofts of Fiscal Research gave the subcommittee several pieces of information that demonstrated the growth in State assistance for local school facilities from 1949 through 1987 and State equalization efforts during the last decade. He also discussed a more sophisticated economic classification of North Carolina counties than the overly simple rural/urban, poor/rich classifications currently in use, and suggested that inequalities in funding be examined using these categories. He also presented a table showing the fiscal impact on school funding if the State were to pick up total funding responsibility in return for 2 percent of the local sales tax. Mr. Crofts encouraged the subcommittee in its

examination of funding inequities and suggested that the subcommittee carefully consider designing an assistance formula that would address inequities. The subcommittee would need to carefully consider what counties should be aided and how they should be aided, whether by a flexible revenue-sharing or a more determined categorical assistance targeting. Representative Crawford suggested that the subcommittee examine the assistance formula for the Pioneer mental health program projects as a mode.

Jim Blackburn told the subcommittee that, when the idea was first advanced of the trade-off between a portion of the local option sales tax for full State responsibility for funding, many people supported it as a way to remove the funding gap among the systems. However, he emphasized that with the increased State commitment to facility funding and to the BEP, the picture has changed. Although the inequities remain and are growing, he suggested that the best way for the State to remedy these funding inequities would be through funding an assistance formula to target specific gaps, such as the ones created in those areas that federal programs used to target. Senator Ward stressed that any examination of particular gaps, such as those among systems' course offerings, take into consideration the size of the several schools as well as how many courses each offered, in order to make the "inequities" picture a substantive one.

Ran Coble's presentation summarized the North Carolina Center for Public Policy Research's work on equity in funding by presenting its findings:

- (1) On Disparities in School Finance
- (2) On the differences these disparities in spending make
- (3) On what other state courts and legislatures have done in school finance
- (4) On what the Center recommends to the subcommittee and to the full Commission.

Mr. Coble stated that it would be best, theoretically, to consider getting all systems up to the State average local per pupil expenditure, either by the swap discussed earlier or by targeting categorical needs in all systems below that average it is not feasible given the revenue picture and the politics of the situation. The Center suggests targeting for State aid those 36 counties with the lowest wealth but highest tax effort, as a beginning. This targeting would

provide incentives for other counties, not taxing as they could, to do so and then to qualify for State assistance. The center contemplates that it would cost \$31 million to take all 36 counties to 100% of the state average of the local per-pupil expenditure of \$524.

Peter Leousis of the Forum told the subcommittee that the Forum was working on a number of different models for targeted "equity" assistance, and would make those available to staff and to the subcommittee.

The subcommittee then decided that it would continue working on the funding issue for the long term study but would ask Senator Martin if he wished that the issue of those inequities addressed in his Senate Bill 751 be considered at the next meeting. It is not contemplated that the subcommittee will be ready to make any recommendations to the full Commission for approval for the short session, and the subcommittee considered that it could begin a discussion of the issues presented in Senate Bill 751 while continuing to examine the issues of funding inequities among the systems.

The subcommittee adjourned, after deciding also to consider ADM formulas as part of its equity study, to meet again at 10:00 p.m. in Room 634 of the Legislative Office Building, on April 10.



STATE ASSISTANCE FOR LOCAL SCHOOL FACILITIES

<u>YEAR</u>	<u>ACTION</u>	<u>(\$ MILLION) CUMULATIVE AMOUNT OF ASSISTANCE</u>
1949	Statewide school bond issue	\$128.8*
1953	Statewide school bond issue	229.5*
1963	Statewide school bond issue	400.7*
1973	Statewide school bond issue	828.4*
1983	Authorized counties to levy additional 1/2% sales tax with 40% of proceeds to be spent for school facilities for five years (30% for next five years)	238.1**
1986	Authorized counties to levy additional 1/2% sales tax with 60% of proceeds to be spent for school facilities for 11 years (includes 1987 session amendments)	195.0**
1987	(1) Public School Building Capital Fund: counties receive 1/14 of 7% state corporate income tax, less \$10 million.	191.3
	(2) Critical School Facility Needs Fund: Local schools receive \$10 million per year from corporate income tax.	131.0
	(3) Basic Education Plan: Freed-up county resources by moving to full state funding of school clerical and vocational education personnel	164.5
TOTAL ASSISTANCE		\$2,507.3

*Original amount adjusted to 1988 dollars. Total of four bond issues is \$1.59 billion.

**Includes additional revenue from 1987 elimination of merchants' discount and closing of loophole on out-of-county delivery transactions.

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Attachment D



STATE EQUALIZATION EFFORTS
DURING LAST DECADE ,

<u>YEAR</u>	<u>ACTION</u>
1983	Authorize 1/2% sales tax to be distributed on per capita basis
1985	Distributed state water/sewer facilities assistance on per capita basis Begin allocation of state highway fund projects to secondary roads on equal basis with urban areas
1986	Authorize 1/2% sales tax to be distributed on per capita basis
1987	Allocate portion of corporate tax increase to low ability-to-pay counties Distribute state reimbursement for elimination of property tax on wholesale/retail inventories on population basis - (hold-harmless provision included)



ECONOMIC CLASSIFICATION
OF NORTH CAROLINA COUNTIES'

<u>County Classification</u>	<u>Ability-to-Tax Trends</u>
Super-achiever metro	Continuing to stay well above average; service-oriented economy
Other metro	Growth not as fast as "super-achievers"; manufacturing economy
Traditional commuter	Low on tax base but average or above average on income
New commuter/spillover	Below average in past; increasing rapidly
Traditional tourist/retirement	Continuing to expand above state average
New tourist/retirement	Below average in past; considerable improvement recently
Military	Recent rapid expansion; may be stagnant or decline in next few years
Regional trade center	Below average on all but retail sales
Chronic poor	Declining or stagnant



FISCAL IMPACT OF SCHOOL FUNDING/SALES TAX SWAP

	PROJECTED 1990-91 (\$ Million)		
	<u>State</u>	<u>County</u>	<u>City</u>
Shift in public school funding responsibility	-885	+885	\$ -
State takeover of 2% local tax	+940	-678	-262
Net Effect	+55	+207	-262

722 Current Exp.
 - 108 Sal. Supp
 106 Debt Service
 106 State 6%

Peter 42 mill. Supp. ^{= school} _{sub.}



PRESENTATION TO THE EQUITY SUBCOMMITTEE OF THE EDUCATION STUDY
COMMISSION OF THE N.C. GENERAL ASSEMBLY

By Ran Coble

Executive Director, N.C. Center for Public Policy Research

March 14, 1990

Good morning, and thank you for inviting me to be with you today. For those of you who are unfamiliar with the North Carolina Center for Public Policy Research, we are a private nonprofit corporation with the goal of doing research for citizens and policymakers on how well their state government works. We try to combine good solid research and readable English, and we publish some of that readable research in our quarterly magazine, North Carolina Insight, and some in special reports like North Carolina Focus. Our 32-member board of directors is set up to mirror the population of North Carolina in terms of proportion of Democrats and Republicans, women and men, blacks, whites, and Indians, from the east, west, and Piedmont.

We have been asked today to give you a briefing on our work on equity in school financing in North Carolina. We have looked at this issue on three separate occasions, most recently in a pair of articles in our new book North Carolina Focus.

I want to spend my time with you today talking about 4 things: (1) first, what we found in terms of differences in school spending among the 134 school districts in North Carolina; (2) second, what differences those disparities in spending make for your children; (3) third, what other state courts and legislatures have done when faced with similar problems, and (4) fourth, what we recommend that you do for North Carolina.

I. THE CENTER'S FINDINGS ON DISPARITIES IN SCHOOL FINANCE

We began looking at disparities in public school financing back in 1984 and '85 when we published articles on the problem in our magazine North Carolina Insight. We found then that per-pupil spending varied by as much as 60 percent among the state's 142 school systems existing in 1984. Six years later, the disparity remains virtually the same. In new research published late last

year, we found that per-pupil spending still varies by as much as 56 percent among the 140 districts then existing. There are 134 school districts now. The state's share of per-pupil spending has remained about the same since the early 1970s -- at about 69 percent of the total share -- while the federal share was cut in half -- from 14.2% in 1972 to 7.7% in 1987-88, the latest school year for which figures were available. Meanwhile, the local share has increased from 19 to 23% since 1973-74. This means that the remaining burden for school funding falls on local governments, which vary widely in their taxable wealth and in their tax effort, or willingness to tax that wealth. The state has done little to counteract the enormous differences in local district supplements that therefore occur from one school district to the next, even though the variation in these local supplements is the chief reason for disparities in total per-pupil spending.

Statewide, local per-pupil spending in 1987-88 ranged from a high of \$1,535 in the Chapel Hill/Carrboro City Schools to a low of \$287 in the Fairmont City School District within Robeson County, a more than five-fold difference. And, as I said, variation in these local supplements is the chief reason for the disparities in total per-pupil spending. In 1987-88, total spending -- excluding food service -- in the Onslow County system was \$2,645 per pupil, the lowest of any of the 140 districts. The Tryon City system in Polk County ranked first with \$4,124 spent on each pupil -- 56 percent more than the Onslow County system. That's a difference of \$1,479 per student, or almost \$37,000 for every classroom of 25 students. Both the Fairmont and Tryon city systems have since been consolidated into county school systems.

To put these disparities into more personal terms for some of the members of this study commission, let's look at Sen. Conder's home base -- Richmond County. Richmond County had a local per-pupil expenditure of \$364 in 1987-88, giving the county a rank of 126 out of the state's 140 school systems in local spending. When state and federal funds are added, each student in Richmond County was allocated a total of \$2,754 -- a ranking of 136 out of 140 -- fourth from the

bottom. My guess is he'd like things to be a little fairer. Looking at the home county of Superintendent Etheridge, Harnett County's local per pupil expenditure ranks 131st out of 140, and its ranking for total expenditures is 117. Both Richmond and Harnett counties are good examples of poor counties with low tax wealth and high tax effort. We at the Center for Public Policy Research believe that this disparity in local supplements presents a very difficult constitutional and political problem for you. You don't want to discourage county commissioners from appropriating local funds in efforts to improve their schools. However, in a state whose constitution requires equal educational opportunities, you don't like to see kids getting differing educational opportunities either, simply because of where they live.

By contrast, Guilford County, Sen. Martin, ranks 11th from the top in local per-pupil expenditures, at \$1,028. That's \$664 more per student than in Richmond County, or more than \$16,000 for every classroom of 25 students. Guilford County's total per pupil spending ranks 27th.

II. WHAT DIFFERENCES DO THESE DISPARITIES IN SPENDING MAKE?

After we discovered the 56% difference in spending, we began to ask local superintendents, principals, teachers, and students, "Well, what difference does this difference in spending make?" One answer that kept re-occurring was in course offerings. For example, we found that a student in Blue Ridge High School in Jackson County in the mountains had 116 fewer courses to choose from than a student at Northern Durham High School in Durham County. Typically, in poorer school districts, you'd find a lot fewer courses in higher level math, foreign languages, the arts, and vocational courses.

This was brought home to me recently when Sen. Ward and I appeared on a special program on education on WTVD in Durham, for which news anchor Larry Stogner was host. During a break in filming, Stogner, who is a native of Yanceyville, told me about going down to Fort Bragg to take tests for admission to the U.S. Military Academy at West Point. He said, "It

wasn't that the other students were any smarter than I was, but that they'd had calculus and my school didn't offer it." That's one good example of how course offerings can put our students at a disadvantage nationally.

A second area where disparities in spending make a difference is in equipment and school facilities. You're much more likely to find better lab equipment, more computers, and better buildings in the wealthier districts.

A third area where disparities in spending make a difference is in attracting the best teachers. It is only common sense to expect that teachers will be attracted to school systems that offer higher local school supplements and better benefits.

In summary, in the richer school districts, students are drinking deep from the fountain of knowledge. But in the poorer districts, they're only allowed to take a sip.

Well, now that you've thought about what difference those disparities in spending can make for your children, I want to make 2 distinctions that I think have not been made in previous testimony and that are important for your deliberations and for defining a solution.

First, you've heard speakers at earlier meetings frame school finance as rural/urban issue -- that rural districts will continue to be poorer simply because they are rural. That's true, to some extent, of course, but our research found some rural counties with high local per-pupil expenditures -- such as Tryon City and Moore County, which ranked 27th from the top local expenditures -- while some of the more urban districts rank low, like the Fayetteville/Cumberland County district at 75th, Goldsboro City at 91st, and Lumberton City at 122nd out of 140 school districts. Suffice it to say that we think the key distinction is rich/poor, not just urban/rural.

The second key distinction is that this is an equity issue, not one of effectiveness. This is important legally, as well as in thinking about what to expect educationally if you pass legislation to address the problem. I am not going to stand here and tell you that if you equalize spending, that

SAT scores in the poorest counties will go up. We are talking today about the starting block on an education race track, not the finish line.

III. WHAT OTHER STATE COURTS AND LEGISLATURES HAVE DONE IN SCHOOL FINANCE

The reason the distinction between equal opportunity and equal outcome is important legally is because that's the way the North Carolina State Constitution puts it. There are 2 relevant provisions in our state constitution -- not our statutes -- on education.

Article I, Section 15 reads, "The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right."

Article IX, Section 2 requires that "The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools...wherein equal opportunities shall be provided for all students."

Notice the language -- "general and uniform system," and "equal opportunities." It is very similar to the language which has been the subject of lawsuits on school finance in 31 states. Now, the cases are split; there is no heavy leaning one way or the other by state courts, but two things should give you pause.

First, the clear trend in the last year and a half has been for state courts -- notably in Kentucky, Texas, and Montana -- to find unequal spending among school districts unconstitutional -- and the remedies the courts are requiring go much further than before. In Kentucky, the state Supreme Court threw out not just the system of school finance, but the structure of school districts and school boards, state governance, teacher certification, and school construction and maintenance. The court also ruled that responsibility for reforming the educational system rests squarely on the General Assembly. The court decision says schools throughout the state must, and I quote, be "substantially uniform." "Equality is the key word here...the children who live in the poor districts

and the children who live in the rich districts must be given the same opportunity and access to an adequate education. This obligation cannot be shifted to local counties and local school districts."

In Texas, state attorneys had contended that the constitutional provision requiring an "efficient" system was intended to suggest a "simple and inexpensive system." But the Texas Supreme Court disagreed and found the disparities among districts unconstitutional. As a result, the Texas legislature has to decide among 7 different plans by May 1, with one plan costing as much as 15 billion -- that's with a "b"-- over 5 years.

The second item to note is that in 5 of the 12 states whose courts found their systems of school finance OK, or constitutional, the state does have an equalization fund to help poor school districts.

So what is the prospect of a successful lawsuit in North Carolina? Well I'm a lawyer, but I'll bet if you ask 12 lawyers, you'll get 12 different opinions. Still, here are some factors to consider. In 1987, the N.C. Court of Appeals did rule in a case originating in Robeson County that disparity in educational opportunities in counties with a large tax base as opposed to those in counties with a small tax base did not result in a constitutional violation. That ruling by a 3-judge panel was on a motion to dismiss, and the case did not go to the Supreme Court. And because most state education money is distributed on a per capita basis, that might be considered to be a fair system and might be upheld again. Using this line of argument, one side might argue that money is tight now and hope that the Robeson County case is good precedent.

On the other hand, there's a lot more evidence of disparities in school finance and its consequences available for plaintiffs to use now, including our studies and those of the Public School Forum, which I would commend to you. A difference of 56% in spending is not something most judges would sneeze at, and more evidence of the consequences of that difference in spending is also available. Then there's the recent trend in school finance decisions that I mentioned a

minute ago. We tend to agree with this line of argument, and we think there's a high likelihood of successful litigation in North Carolina. Regardless of how you come out, one thing is clear: The remedies for disparities in school finance which are imposed by courts are much more expensive than what it would cost if the legislature would act now.

The legislators here have only to remember their experience in prison litigation to know that those lawsuits and the consent decrees subsequently entered into have made prison construction one of the fastest growing areas in the state budget. I will also add that regardless of whether you think you're in a constitutionally defensible position, you ought also consider whether you're in an educationally defensible position when students in one school can take 116 more courses than students in another school.

IV. WHAT THE CENTER RECOMMENDS TO THE STUDY COMMISSION

When we released our research on school finance last October, I was very pleased to see that Superintendent Etheridge was quoted as saying he was concerned about the differences in spending from district to district and the state needs to start thinking more about the situation before a successful legal challenge created a school funding crisis.

Then when we both appeared on that WTVD special, I also had the pleasure of sitting beside Sen. Ward, and I asked him what he thought should be done. He mentioned one thing that was important to him was to help only those counties which didn't have much property to tax locally but which were making a sincere effort to tax what they had.

That made a lot of sense to me, so I asked one of the Center's policy analysts, Kim Kebschull -- Kim, will you stand and be recognized -- to begin looking into how other states handled this problem. Sure enough, Sen. Ward's principle has been used in a lot of states. They usually call it a State Equalization Fund, where state money is given only to counties or school districts with low tax wealth but high tax effort. We found such equalization funds in 12 states --

Arizona, California, Colorado, Connecticut, Georgia, New Jersey, New York, Ohio, Oregon, Washington, West Virginia, and Wyoming.

I would like to point out to you that equalization formulas -- designed to bring areas with lower per capita wealth or resources closer to the state average -- are not unknown in North Carolina. Revenue from the local option part of the sales tax, for example, is distributed according to population -- favoring rural areas more -- rather than according to the point of collection, which would favor urban areas more. Funds for secondary road construction are distributed according to an equalization approach based on the number of unpaved miles of rural roads in a county. Those with more unpaved roads get more money. In the social services area, counties with higher numbers of AFDC recipients and low average collection of property, sales, and use taxes receive greater state assistance. There are also equalization elements in state funds distributed for libraries and community-based alternatives for youthful offenders.

With these precedents to follow, the Center for Public Policy Research recommends a State Equalization Fund for education, which would take into account both the district's local per-pupil expenditures (spending on education) and its tax effort relative to that of other counties. Under this plan, counties which have low tax wealth but which nevertheless tax this wealth heavily for education purposes would receive proportionately more money from the state than those counties having either higher wealth or making less of an effort to fund education. In other words, those counties making the most effort with the least resources would receive the benefit.

The long-term goal for this Equalization Fund would be to bring all counties closer to the state average for total per-pupil expenditures. Realizing that the state is in somewhat of a budget crunch at this time, however, we looked at the costs for a state equalization fund to bring only those counties with the lowest tax wealth and per capita income and highest tax effort to the state average for local per-pupil expenditures of \$524. For the 36 counties this would affect, we project

the cost to be approximately \$31 million if you take all 36 counties to 100% of the state average. A second option -- funding 80 or 90% -- is used by other states save money where they fund less than the 100% standard. You have Table 2 attached showing which counties need help the most.

Under this plan, Sen. Conder, Richmond County would receive an additional \$1.4 million from the state, or an additional \$160 per student. Harnett County would receive about \$2.3 million, or \$192 per student. As a third option, with a \$10 million expenditure, the state could bring about ten counties with the lowest tax wealth but making the most tax effort up to the state average for local per-pupil expenditures.

So, I would ask the wealthier counties or the counties with high tax effort to remember that the goal set in the state's constitution is equal opportunities for all the school children of North Carolina. And you might also remember that the courts will be looking over all your shoulders. As the Fram oil filter commercial says, "You can pay me now, or you can pay me later."

Thank you very much for letting us be with you today. Kim and I will be glad to try to answer any of your questions.



Table 1

Litigation on School Finance at the State Level

<u>State Courts Which Have Held the State's System of School Finance Unconstitutional (10)</u>	<u>State Courts Which Have Held the State's System of School Finance Constitutional (10)</u>	<u>In Litigation or Up in the Air (11)</u>
Arkansas California* Connecticut* Kentucky Montana New Jersey* Texas Washington* West Virginia* Wyoming*	Arizona* Colorado* Georgia* Louisiana Maryland New York* North Carolina Ohio* Oklahoma Wisconsin	Alaska Illinois Indiana Michigan Minnesota Missouri North Dakota Oregon* Pennsylvania South Carolina Tennessee

*Denotes states which have Equalization Funds to help poor counties

Table 2

Counties That Could Benefit From a State Equalization Fund:

Counties With Low Tax Wealth Making Above Average Tax Effort

1. Anson
2. Bertie
3. Bladen
4. Caswell
5. Cherokee
6. Cleveland
7. Columbus
8. Craven
9. Cumberland
10. Duplin
11. Edgecombe
12. Franklin
13. Gaston
14. Granville
15. Greene
16. Halifax
17. Harnett
18. Hertford
19. Hoke
20. Johnston
21. Jones
22. Lenoir
23. Madison
24. McDowell
25. Northampton
26. Onslow
27. Pender
28. Richmond
29. Robeson
30. Rockingham
31. Sampson
32. Scotland
33. Stanly
34. Surry
35. Swain
36. Vance
37. Warren
38. Washington
39. Wilson
40. Yadkin

Table 3

Projected Costs For a School Equalization Fund For Counties With
(a) Low Tax Wealth and Per Capita Income, and (b) High Tax Effort¹

County	Number of Students	Total <u>Local</u> PPE*	\$ Amount Short of State Average <u>Local</u> PPE* (\$524)	Cost to Bring County to Average <u>Local</u> County PPE*
Anson	4,963	\$442	\$ 82	\$ 406,966
Bertie	4,215	380	144	606,960
Bladen	5,939	444	80	475,120
Caswell	3,740	338	186	695,640
Cherokee	3,749	307	217	813,533
Cleveland	8,169	445	79	645,351
Columbus	7,942	375	149	1,183,358
Craven	14,117	445	79	1,115,243
Cumberland	44,006	505	19	836,114
Duplin	7,979	368	156	1,244,724
Edgecombe	5,167	436	88	454,696
Franklin	4,549	456	68	309,332
Gaston	31,107	459	65	2,021,955
Greene	2,809	478	46	129,214
Halifax	6,577	324	200	1,315,400
Harnett	11,842	332	192	2,273,664
Hertford	4,129	503	21	86,709
Hoke	5,008	292	232	1,161,856
Johnston	14,561	388	136	1,980,296
Jones	1,604	290	234	375,336
Lenoir	6,295	506	18	113,310
Madison	2,691	386	138	371,358
McDowell	6,555	402	122	799,710
Northampton	4,023	477	47	189,081
Onslow	17,047	348	176	3,000,272
Pender	4,789	503	21	100,569
Richmond	8,746	364	160	1,399,360
Robeson	14,424	291	233	3,360,792
Sampson	6,616	463	61	403,576
Stanly	6,687	438	86	575,082
Surry	7,786	427	97	755,242
Swain	1,643	410	114	187,302
Vance	7,504	399	125	938,000
Warren	2,995	440	84	251,580
Washington	2,916	297	227	661,932
Yadkin	4,799	465	59	283,141

TOTALS: Average: \$406 Average: \$118 \$31,521,774

¹All data are from the 1987-88 school year

*Per-Pupil Expenditure

Table 4

What Could North Carolina Do With a \$10,000,000 School Equalization Fund?

Projected Costs For a School Equalization Fund For Counties With
Low Tax Wealth and High Tax Effort

County	Total Local PPE*	\$ Amount Short of State Average	Cost to Bring County to Average Local PPE*
1. Anson	\$442	\$ 82	\$ 406,966
2. Bertie	380	144	606,960
3. Robeson	291	233	3,360,792
4. Gaston	459	65	2,021,955
5. Edgecombe	436	88	454,696
6. Hertford	503	21	86,709
7. Franklin	456	68	309,332
8. Washington	297	227	661,932
9. Duplin	368	156	1,244,724
10. Johnston	388	136	1,980,296
			<u>\$11,134,362</u>

Note: Counties are listed in rank order according to lowest tax wealth and highest tax effort.

Projected Costs For a School Equalization Fund For Counties With
Lowest Local Per-Pupil Expenditures

County	Total Local PPE*	\$ Amount Short of State Average	Cost to Bring County to Average Local PPE*
1. Jones	\$290	\$234	\$ 375,336
2. Robeson	291	233	3,360,792
3. Hoke	292	232	1,161,856
4. Washington	297	227	661,932
5. Cherokee	307	217	813,533
6. Halifax	324	200	1,315,400
7. Harnett	332	192	2,273,664
8. Caswell	338	186	695,640
			<u>\$10,658,153</u>

Note: Counties are listed in rank order according to lowest local per-pupil expenditure.

Projected Costs For a School Equalization Fund For Counties With
Lowest Per Capita Income

County	Total Local PPE*	\$ Amount Short of State Average	Cost to Bring County to Average Local PPE*
1. Hoke	\$292	\$232	\$1,161,856
2. Caswell	338	186	695,640
3. Robeson	291	233	3,360,792
4. Swain	410	114	187,302
5. Jones	290	234	375,336
6. Greene	478	46	129,214
7. Madison	386	138	371,358
8. Bladen	444	80	475,120
9. Warren	440	84	251,580
10. Cherokee	307	217	813,533
11. Duplin	368	156	1,244,724
12. Columbus	375	149	1,183,358
			<u>\$10,249,813</u>

Note: Counties are listed in rank order according to lowest per capita income.

* Per-Pupil Expenditure

4/10/90

**EDUCATION STUDY COMMISSION
SUBCOMMITTEE A: REMEDIATION AND DROPOUT PREVENTION**

Subcommittee A had three items on its agenda this morning.

Dropout Prevention Programs

The first was a presentation of a report on dropout programs in the North Carolina public schools by Dr. Barry Kibel of Research and Evaluation Associates Inc. This report was originally prepared for the Joint Legislative Commission on Governmental Operations, and identified a number of problems with the way dropout prevention programs are currently structured in North Carolina, especially in school prevention programs. A copy of Dr. Kibel's presentation is attached. For members of the Commission who want to see the original report, staff will be happy to make copies available.

The State Board of Education is scheduled to act on a number of these recommendations within the next several months.

Referral of Dropouts from Public Schools to Community Colleges

In 1987 the General Assembly enacted a statute mandating referrals of public school dropouts to the community college system. As a follow up to this statute the Subcommittee asked the Department of Public Instruction to provide information on the number of referrals in the last school year. (A copy of that information is attached) The Subcommittee found that in a number of instances school systems had failed to submit a report on the number of referrals made to the Department of Public Instruction, and in a number of instances only a portion of the dropouts were referred to a local community college.

The Subcommittee believes that to correct this problem additional follow up is needed by the Department of Public Instruction and the State Board of Education to insure that local school systems are complying with the law.

Driver's Education as a Part of the Instructional Day

The Subcommittee at a previous meeting asked the Department of Public Instruction to provide information on the number of school systems that did not teach driver's education as a part of the regular instructional day. The attached report shows only four school systems current use this option.



4/10/90

EDUCATION STUDY COMMISSION

Subcommittee B: Joint Use of Resources
Topic: Year-Round Schools

- o Remarks and Presentation from Rep. Howard Chapin
- o Presentation by Caroline Massengill and Ramey Beavers on Wake County pilot program:
 - a) Why
 - b) How
 - c) Current Status
- a) Why
 - respond to diverse population
 - limited resources
 - growing population
- b) How
 - Developed a strategic planning committee to study year-round schools and report back to Wake County Board of Education.
 - They recommended going to year-round schools for all Wake County and showed how much money could be saved on building costs.
 - 45/15 day plan was most practical to fit current curriculum.
 - Wake County appointed a task force to pilot a year-round school. Kingswood was selected as pilot school.
 - More complications in high school than in elementary and middle school.
 - They sold the pilot school for the first year because of community acceptance.

c) Current Status:

Kingswood Pilot Program:

- K-5 school in Cary
- Not tied to agrarian calendar
- Magnet school
- Optional Program
- Single track 45/15 calendar
- Worked with DPI on state regulation problems
- Main problem was with child care. Cary family YMCA helped with a day camp on Kingswood campus for each 3 week vacation
- Spoke to many community groups to sell this idea.
- Remedial educational opportunities are during the 4 breaks
- 90 teachers applied for 11 classroom positions
- Established a PTA and had many parents meetings and open houses
- Numerous media interested and covered the opening on July 26
- 213 students have already applied for next year for 58 slots that will be open
- No interruption of learning process during the 3 week breaks
- Teachers enjoy the numerous breaks and are supportive of the program
- Teachers have more options for picking professional planning days and have opportunity to visit other schools
- Have a Cary area bus coordinator that plans bus route
- This year they had 96% attendance for first 20 days of school (highest in county)
- They build remedial courses at the end of 9 week period for 1 week instead of separate summer school. It becomes a more developmental opportunity.

4/10/90

**SUBCOMMITTEE C: HIGHER EDUCATION ENCOURAGEMENT
AND ARTICULATION**

April 10, 1990

Subcommittee C met at 10:00 a.m. with all members present. The Subcommittee reviewed a number of recommendations and issues aimed at increasing the numbers and success rates of students going on to post-secondary education.

Recruitment, Retention and Graduation of Minority Students

Chancellor Vic Hackley of Fayetteville State University addressed the need to focus on subgroups of students to insure success in college. He recommended:

1. Assessment and remediation of academic skills upon entry, including the provision of support systems and counseling services.
2. Special admission and support programs to attract minority students toward higher education at the earliest possible levels, and to address specific needs of minority students in college.
3. Provision of supportive and readily available faculty for mentoring of minority and other special groups of students.
4. Provision of financial aid in the form of scholarships and grants instead of loans is related to success of minority students in higher education.

Special Programs to Encourage Special Groups

Dr. Susan Friel and Dr. Peggy Franklin of the Math/Science Education Network explained the Pre-College Program in Mathematics and Science which focuses on increasing the performance of women and minorities in math and science. The program includes:

- o Academic enrichment programs for grades 6-8 which supplement regular school instruction in math and science.
- o Saturday Academies which provide 16 Saturday sessions for students in grades 6-12 on university campuses.
- o Summer Scholars program for 3-5 weeks in the summer for further explorations in science and math.
- o Parent Involvement programs which help parents to support their children's efforts to achieve in math and science.

The Subcommittee will consider this as a model for further efforts in university and public school cooperation.

Advanced Placement Program

Dr. Dennis Carroll of High Point College addressed the issue of Advanced Placement Courses in the public schools. He pointed out that advanced placement courses:

- o Were not excessively costly
- o Demanded commitment from students and teachers and led to higher expectations of performance for all students
- o Required teacher training
- o Allow students to go further in college in specific fields.

In North Carolina, Advanced Placement courses are available in only 51% of our high schools. In 1988-89, there were 14,188 students in advanced placement courses (includes duplicated students taking more than 1 course), and there were 86,290 students in gifted, honors or advanced courses in these same fields of study which were not advanced placement courses.

High School Graduation Requirements

Dr. Weaver Rogers reported that the State Board of Education was beginning a review of high school graduation requirements. The review will include consideration of these issues:

- o Elimination of the "general" curriculum and replacement with a more focused curriculum.
- o The merits of differentiated diplomas
- o Reduction of the number of electives students may take by requiring more specific courses.
- o Review of the number of hours required for a course.

The Subcommittee will consider the issue of transferability of course credits between the community colleges and the UNC system and the need to set joint educational goals for North Carolina at its next meeting.

4/10/90

SUMMARY OF SUBCOMMITTEE^D MEETING

Staff briefly reviewed S.751, introduced by Senator Martin of Guilford. This bill was reported favorable as amended from the Senate Education Committee and was referred to Appropriations. It is therefore eligible for the short session. The bill, as its title indicates, established a State Equity Grant Program for school districts having high concentrations of preschool and school age children who are "at risk". The bill defines "at risk" children as those whose families are at or below the federal poverty level, whose academic, emotional, or social development are adversely affected, or likely to be adversely affected, by poverty alone, or by poverty in combination with other factors likely to cause or contribute to the children's below-average academic performance. Such other factors include race, gender, teenage parenthood, teenage pregnancy, migrant status, and physical, mental, or emotional handicap. Ms. Brewer suggested that this list also include single parent households,

The Program, administered by the State Board of Education, would provide funds, on a formula basis, to local school districts serving a high concentration of "at risk" children. Districts, in their grant applications, would have to specify a utilization plan for the funds, which would include the specific goals to be achieved by each program or activity supported by grant funds, a description of an outcome-oriented process to be used to measure progress being made by students, and for instituting corrective actions to enhance student progress, and a description of an outcome-oriented process to be used to measure the extent to which program or activity goals have been achieved. Program funds would be used for any or all of the following: programs and activities to increase parental involvement, programs and activities designed to help parents of at risk preschoolers provide learning and developmental activities to advance their children's chances of average or above average performance when school-aged, computer assisted remediation and advancement materials, programs and activities to achieve communication and mathematics mastery in grades three through eight, and programs designed to increase significantly the academic performance of those "at risk" students who, as a group, are performing below their capabilities and at a lower than average academic level than other children in their district.

Each district's Program would be evaluated carefully every year on the basis of outcome-effectiveness. The Department of Public Instruction and the local districts would be able to use grant funds to contract with any State institution of education and with private nonprofit organizations, to plan, implement, or evaluate the Program.

The bill start-up year would cost \$3,000,000.

The part of the bill that drew the most comment was the distribution formula, which currently allows funds to go to all

counties having at least 10% at risk children per total school aged population, on a pro rata basis, as determined by the number of children whose families are at or below the federal poverty level. Many problems were identified with this formula, and most subcommittee members agreed that some targeting would need to be included, i.e. to those eligible counties that had below average tax capacity. Senator Martin considered such targeting acceptable provided there be some provision for other eligible counties, perhaps by requiring a local match for these counties. He expressed concern that any targeting would miss some children that needed help. Several other subcommittee members and staff made other formula suggestions.

Senator Martin then made the suggestion that, in addition to working with formula options, the subcommittee should consider reworking S. 751 as an adjunct to Senate Bill 2, perhaps by requiring, in the Senate Bill 2 process, specific "at risk" indicators to be addressed in the local plans, by requiring in the monitoring for student outcomes the reporting of student test results in quartiles, and by considering funding incentives to do these things. The subcommittee was very interested in this idea and moved to meet again May 7, at 2:00 p.m. in Room 634 to consider what could be developed by then. Senator Martin announced that there would be an open working meeting with himself, staff, and interested people April 19, at 2:00 p.m. in Room 634 to begin drafting.

The subcommittee then adjourned.

10/8/90

**EDUCATION STUDY COMMISSION
SUBCOMMITTEE A & B****Remediation; Dropout Prevention,
Concurrent Enrollment Encouragement
and Joint Use of Resources**

Report

November 19, 1990

The Subcommittee discussed how it should proceed with its examination of S.B. 1524, An Act to Require Parental Involvement in Schools. Subcommittee members expressed some reservations about the proposed bill, but decided to invite the sponsor and other interested groups to discuss it at the next meeting. The Subcommittee also decided to hear from Representative Bowman on his proposed legislation to require school attendance for receiving a driver's license and to reduce student work hours.

The Subcommittee heard a report from Anne Bryan, who is the head of Dropout Prevention Services in DPI. She received a new handout that helps local school systems determine when to refer dropouts to community colleges. She also discussed two new programs to help with dropout prevention:

- (1) Special Needs Grant Program - Will award a \$50,000 grant for three years to the 8 school systems with the highest dropout rates so that they can get some technical assistance in reducing their dropout rates by 50% by the end of this three year period.
- (2) Satellite Teacher Education Course - DPI is offering a course for continuing education to teachers who work with at-risk students through their "Tie-In" satellite program. It is entitled "Risk, Revelation & Renaissance". This should be helpful to teachers by providing some new ideas for reducing dropout rates.

Sandy Shugart from the Department of Community Colleges expressed concerns regarding the referral law in G.S. 115C, which requires public schools to refer dropouts to community colleges. He indicated that faculty in the community colleges are not trained or certified to teach at-risk, troubled youth and community colleges do not offer the same opportunities as a public school "alternative school program".

He reminded the Subcommittee that the GED and Adult High School programs are geared for adults of at least 25 years of age who have gained knowledge through life experiences. It is not intended to be a substitute diploma for 16 year old dropouts. More public school alternatives should be considered before referring dropouts to community colleges.



10/8/90

SUBCOMMITTEE C: HIGHER EDUCATION
ENCOURAGEMENT; ARTICULATION

Subcommittee C met with Tom King, representing Bob Scott, presiding.

Tech Prep.

The Subcommittee reviewed its four priorities, and heard a report on 1990-91 implementation efforts on the Tech-Prep Program. The 1990 Session of the General Assembly directed that \$100,000 be allocated to the North Carolina Tech Prep Leadership Development Center at Richmond Community College, and that \$250,000 from the Worker Training Trust Fund be allocated for grants for Tech-Prep implementation. This has resulted in 11 grants to local school districts for planning, with additional districts proceeding without grant funds. The federal Vocational Education Act has earmarked funds for Tech Prep, with approximately \$1.8 million coming to North Carolina.

Higher Education Encouragement

The Subcommittee reviewed prior presentations and began a discussion on options to increase participation in and completion of higher education. Some of these options discussed may lead to recommendations for the full Commission. The options included methods to increase

- o transferability of courses;
- o advanced placement course taking;
- o students prepared and able to attend college, especially minority students; and
- o retention and graduation of students who enter higher education



10/8/90

EDUCATION STUDY COMMISSION

SUBCOMMITTEE D: EQUITY IN EDUCATION

November 19, 10:00 a.m.; Room 634, Legislative Office Building

All subcommittee members were present. Roger Jackson represented Superintendent Etheridge.

Senator Conder introduced Mary Thompson, a new member of the Research Division staff. Ms. Thompson is an attorney and an education specialist.

Don Liner then presented his study on spending in the public schools and distributed copies of his article.

Mr. Liner began by stressing that spending on public schools is not in and of itself an adequate indicator of resources and programs in these public schools. Inequities of funding, which do exist, should focus on the provision of resources, and "economies of scale," which will take into consideration the very real problems small school systems have in providing the same resources larger systems can provide at much less real cost.

Mr. Liner emphasized that North Carolina holds a very special place with regards to equity in funding as it does not attempt an equalization of funding formula but rather, through the Basic Education Program, and its earlier provisions, guarantees that the State provide the basic education for all children throughout the State. The B.E.P. focuses on the provision, and funding, of resources.

Mr. Liner pointed out that those states that are being successfully sued are those states with equalization formulae that are clearly inadequate. He told the subcommittee that, given North Carolina's State constitution, which has provisions guaranteeing a general, uniform system of public education and a provision allowing local school systems to supplement the State's provision. This pattern would, he felt, keep North Carolina from the kind of successful suit that has found other states' system of funding unconstitutional while North Carolina's emphasis on resource funding really puts it in the vanguard with relation to achieving equity in education.

Mr. Liner stated that his study underlined the basic soundness of North Carolina's Basic Education Program. He said that continuing examination as to how to translate the B.E.P. into action via the allocation formulae was needed. He pointed specifically to the problem mentioned earlier faced by the smaller school systems. As earlier mentioned, he also cautioned

against assuming a close causal relation between local spending and resources. In addition, he stressed that any examination of local ability to spend be linked not to the local property tax base but to per capita income.

Mr. liner's study demonstrated, in general, that:

"North Carolina's system of school finance, unlike the systems in many other states, does not result in large systematic disparities in total spending per student for operating expenses or in employees per hundred students between units with low and high per-capita incomes. Although disparities in spending and employment exist among individual units (at all levels of per-capita income), these disparities are only weakly correlated with estimated per-capita income of the units. In fact, some of the units with lowest per-capita income rank near the top in total spending and employment per student, while some units with relatively high per-capita income rank near the bottom."

The committee discussion that followed focussed in part on the need to rework allocation formulae to correct the small system/larger system resource inequities. As a corollary, Senator Martin suggested examining ways better to effect the satellite "uplink" program intended to equalize smaller and larger systems' specialized program resource need.

Senator Conder told the committee that it would need at least one more subcommittee meeting to hear the Forum's study, presented by Peter Leousis, and to develop any proposals from these two studies that it might want to present to the full Commission as well as to consider endorsing a 1991 version of Senator Martin's Senate Bill 751.

The subcommittee decided to meet at 1:00 p.m., December 6, in Room 634.

12/12/90

**REPORT OF SUBCOMMITTEE C: HIGHER EDUCATION
ENCOURAGEMENT; ARTICULATION**

Subcommittee C makes the following recommendations to increase the number of students qualified for, attending and finishing post-secondary education programs.

PRIORITY I

Tech Prep

The Education Study Commission recommends that Tech Prep be implemented statewide, and that the General Assembly continue funding for the Tech Prep Leadership Development Center and for planning and start-up grants for local school systems. Federal funds from the Vocational Educational Act will provide funds for Tech Prep, and these funds should be used for the above purposes.

PRIORITY II

**High School/Community College/Higher Education
Cooperative Programs; Articulation**

1. Transferability

The Education Study Commission recommends that each community college with college transfer or associate degrees have an articulation agreement with at least one four-year college in North Carolina.

2. Advanced Placement

The Subcommittee heard that advanced placement courses:

- o Were not excessively costly.
- o Demanded commitment from students and teachers and led to higher expectations of performance for all students.
- o Required teacher training.
- o Allow students to go further in college in specific fields.

The Commission urges the State Board of Education to include the availability of advanced placement courses and increases in the number of students successfully completing these courses as factors to be used in assessing school system performance.

The State Board of Education should expand the advanced placement program, considering the following options:

- (a) Use academically gifted funds for advanced placement;
- (b) Providing training for advanced placement teachers.
- (c) Providing financial incentives to school systems for increases in participation in advanced placement;
- (d) Removal of student barriers by paying advanced placement exam costs.

The State Board of Education should assure the availability of advanced placement courses for every qualified student.

3. Recruitment and Graduation of More Students, Especially Minority Students

The subcommittee heard from Dr. Vic Hackley, Chancellor of Fayetteville State University, on the need to focus on specific subgroups of students, with resources for the needs of these subgroups. Other reports came from the Pre-College Program in Math and Science on efforts to involve minority and female students at an earlier age. Written reports dealt with efforts in other states to improve minority rates of college participation and graduation.

Early Intervention

The Education Study Commission recommends full implementation of pre-school programs for "at-risk" students.

The Commission also recommends that North Carolina colleges work closely with elementary schools for special help with language and math skills for young students.

Recruitment

The Commission recommends that colleges provide earlier college contacts for a broader range of students, in order to increase their comfort with campus environments and their awareness of college opportunities.

The University of North Carolina should expand the Pre-College Program in Math and Science to reach more students geographically and to reach a broader base of students.

The education governing boards should consider efforts to provide earlier linkage of testing with those skills needed for college entry; linkage of colleges and public schools in the "mastery of skills" assessment process is critical for this concept's success.

The Commission encourages summer academic experiences for more high school students. This decreases the "gap" time for learning, and college campuses should provide summer experience for a broader range of students.

The Commission recommends the expansion of leadership development opportunities for disadvantaged students.

Scholarships

Reports indicate that students must be contacted early (middle school) and informed that funds will be available for higher education for students meeting academic and behavioral standards in order to have the desired impact of increasing college participation.

The General Assembly should consider the creation of a State-funded scholarship program which incorporates the features of the "Taylor Plan" under study by the Legislative Research Commission and the "Technical Scholars Program" as modeled by Sandhills Community college. The intent of the scholarship program should be to provide tuition, fees, and books for qualified students with financial need, and to make students aware that these basic costs will be provided if they perform well in high school.

Retention

The Commission recommends better transferability of courses and linkage of programs between community colleges and four-year colleges to enhance increased transfers from community colleges to four-year colleges.

The Commission recommends that all colleges make strong efforts to assess and remediate skills of students upon college entrance. The colleges should provide counseling, tutoring and other support services needed by various groups of students. Campuses should provide faculty mentoring for minority students and other groups not graduating at normal rates.

PRIORITY III

Joint Educational Policy Goals

Because the State Board of Education, the State Board of Community Colleges, and the UNC Board of Governors adopted a set of joint goals in March, 1990 (see attached), the Education Study Commission encourages the three boards to strive to reach these goals through their allocation of human and fiscal resources, and to review, revise and add to these goals as needed.

PRIORITY IV

Reevaluation of Vocational Education

The Education Study Commission finds that the Governor's Commission on Workforce Preparedness has recently reviewed this issue and concurs with its recommendation to go to two high school curriculum options by 1994-95: College Preparatory and Technical Preparatory, with both curriculums stressing academic excellence. The Commission endorses in principle the fact-findings of this report (the executive summary is attached to this report).

JN:ja

C-94

4

A RESOLUTION BY THE THE NORTH CAROLINA STATE BOARD OF EDUCATION,
THE NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES,
AND THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA

MARCH 8, 1990

On March 8, 1990 the North Carolina State Board of Education, the North Carolina State Board of Community Colleges, and the Board of Governors of The University of North Carolina held their second annual joint meeting.

In the past year, meetings of the chief executive officers of each of the three systems and meetings of members of the staffs of the three agencies have taken place on a variety of issues.

At this second joint meeting, the three boards considered three general areas of mutual concern: flexibility with accountability, economic development and work force preparation, and transferability and tech prep programs.

Based on these discussions, the three boards responsible for public education in North Carolina do hereby endorse this joint resolution.

WHEREAS, North Carolina's public educational systems are jointly responsible and jointly accountable for preparing citizens for full participation in the private, public, and economic life of this State and its communities; and

WHEREAS, the three boards jointly share the expectation of the Governor and the General Assembly that each system effectively respond to its separate responsibilities while also responsibly addressing common goals; and

WHEREAS, the three boards jointly share the expectation of the Governor and the General Assembly that the educational needs of the State will be met in the most cost effective manner; and

WHEREAS, such problems as illiteracy, school dropouts, and the need for a trained work force are clearly joint responsibilities of the three boards and systems.

NOW, THEREFORE, BE IT RESOLVED, that the three boards jointly endorse the following goals:

(1) To increase dramatically the percentage of adults in North Carolina who hold a high school diploma. North Carolina ranks 48th in the nation in the percentage (54.8%) of the adult population with a high school diploma. The systems will work together to identify and assist students who have dropped out of public schools and need alternative programs with a goal of increasing enrollments in Adult Basic Education, Adult High School, and GED programs by 10% a year. At the same time, the boards jointly will seek to reduce the number of public school dropouts by 5% a year. The result should be to increase the percentage of North Carolina's work force who are high school graduates to 75% by the year 2000.

(2) To improve the State's postsecondary participation rate. North Carolina ranks 44th in the nation in the percentage (13.2%) of the adult population who have completed four or more years of college. The State's total postsecondary participation rate (public and private colleges and universities, community and technical colleges) is one of the lowest in the nation. The systems will work together to promote better awareness among the State's high school students about the educational and career training opportunities available through the university and community college systems and increase by 5% per year over the next 5 years the number of high school graduates who enter some type of postsecondary education or training.

(3) To promote and provide for the expansion of tech prep articulation programs throughout the State and to seek the recognition of graduates of such programs as "Technical Scholars." The Center for Tech Prep Leadership in Richmond County has more than 25 school systems requesting assistance to create tech prep programs. The systems will work together to increase the number of tech prep programs by at least 10 agreements a year over the next 5 years.

(4) To promote and provide for more transfers from community and technical colleges to the constituent institutions of The University of North Carolina. The boards support programs on each campus of the university which will improve the advising and counseling of transfer students. The boards recommend increasing transfers from the community college system to the university system by no less than 7% per year over the next five years. The boards also agree to support and promote the minimum admissions requirements established by The University of North Carolina.

(5) To promote the concept of education as a life-long process as opposed to the commonly held perception of education as a compartmentalized structure.

(6) To recommend to the Governor and to the General Assembly a continuation of the philosophy of more flexible funding coupled with appropriate measures of accountability.

(7) To recommend to the Governor and to the General Assembly that increases in all student costs including tuition, fees, and books at community colleges and the universities be kept as low as possible in reaffirmation of Article IX, Section 9 of our State Constitution.

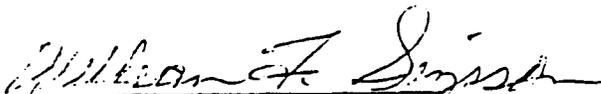
(8) To recommend to the Governor and to the General Assembly a renewal of the State's commitment to funding all three public education systems at nationally competitive levels.

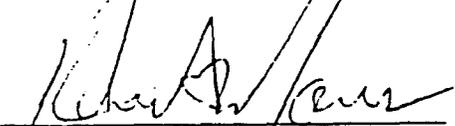
(9) To direct the chief executive officers of the three systems to provide the staff resources needed to promulgate the goals set forth in this resolution.

(10) To strongly encourage the chief executive officers of the three systems to meet regularly to discuss how the systems can better coordinate their efforts to meet the educational needs of North Carolina.

THIS RESOLUTION jointly adopted by the State Board of Education, the North Carolina State Board of Community Colleges, and the Board of Governors of the University of North Carolina on March 8, 1990.


Howard H. Haworth, Chairman
North Carolina State Board of Education


William F. Simpson, Chairman
North Carolina State Board of Community Colleges


Robert L. Jones, Chairman
University of North Carolina Board of Governors



The Skills Crisis in the Workplace:

A Strategic Response
for Economic Development

*The Report
of the
Governor's Commission
on Workforce Preparedness*

Submitted to:
James G. Martin
Governor

Submitted by:
The Governor's Commission
on Workforce Preparedness

November 1990



EXECUTIVE SUMMARY

A variety of recommendations undergird our vision of a world-class workforce in North Carolina; however, there are five major initiatives upon which our report focuses.

First, we would eliminate the general education curriculum which has been more of an educational dumping ground than a preparation for continued learning in the workplace and postsecondary education. Studies show that North Carolina's employers are dissatisfied with the skill preparation of recent high school graduates. Furthermore, many employers no longer believe a high school diploma guarantees proficiency in basic academic skills and are concerned about the availability of skilled labor both now and in the future. Employers want workers who have the knowledge and skills that make them readily educable in job-specific training. The general education curriculum has provided students with neither the academic nor the technical preparation needed to succeed in life or in the economy. In its place we recommend substituting a Technical Preparatory curriculum that emphasizes academic excellence.

In addition, we would:

- Create two demonstration projects in work-based youth apprenticeships;
- Require vocational and applied technology teachers to be qualified to teach related academic and job application skills;
- Increase high school graduation requirements to include two additional units, one in mathematics and one in science;
- Certify that every high school graduate has mastered basic skills and provide a mastery skills achievement profile with each high school diploma;
- Raise the compulsory attendance age from 16 to 18;
- Require satisfactory school work from students in order to obtain a driver license and/or work permit;
- Expand alternative high schools and approaches to education to accommodate those who have difficulty with the traditional classroom structure; and
- Require every high school to develop a comprehensive career development and guidance program to ensure that all high school students can make informed curriculum and career decisions.

Second, we propose to enhance the leadership role of North Carolina business and industry in educational reform.

Although employers are concerned with the quality of education and the availability of skilled labor, they have been sitting on the sidelines waiting for others to take leadership in public education reform. We recommend that the North Carolina Business Committee for Education increase its public visibility and enhance its role as the business advocate for public education reform and the skills needs of the state's private sector. In addition, the Committee should educate North Carolina employers about the needs of public education. Furthermore, the Commission recommends that the Business Committee for Education consider establishing a foundation program for providing scholarships and stipends for students who pursue postsecondary education in technical fields of study, with special priority for minorities and women; and launch a statewide campaign through the schools and the workplace to educate students and workers on the need for higher skills and the necessity for educational excellence.

Third, we recommend expanding the effectiveness of our community colleges -- the state's first line of defense in economic development and our best hope for the economic health of our citizens. The median years of education required for new jobs is rising. The median is projected to be 13.5 years in 2000 compared to 12.8 years in the mid-1980s. North Carolinians, however, are poorly positioned relative to other states to take advantage of jobs requiring some postsecondary education. The Southern Regional Education Board projects that by the year 2000, 39 percent of North Carolina's citizens will have some education beyond high school, compared to a southeastern median of 42 percent and a national median of 46 percent.

North Carolina must improve the quality and quantity of technical and vocational education available to the majority of high school graduates who will not pursue a four-year degree but who nevertheless will require further education to succeed in the workplace. We call for restoring funding for community college programs to reach at least halfway from their current per pupil funding level (\$3,300) to their goal of the national median (\$4,400) to provide the level of instruction required in competitive industries.

In addition, we recommend:

- Creating five industry-focused Technical Training and Development Centers to conduct applied training research, develop training programs and materials, develop skill assessment methods, train faculty, and provide technical assistance in skills development to upgrade technical education and training systems. These centers would be developed with the partnership of business and industry; and

- Upgrading our labor market information system by expanding data collection, especially in rural areas, and reporting to industry, education and training groups.

Fourth, the state should dramatically increase the quantity and quality of the state's basic literacy, numeracy, and critical-thinking skills for adults. North Carolina's ranking among our sister states in terms of the educational achievement of our adult population demonstrates that our economic prosperity is in jeopardy. Our ranking of 49th in the nation in the percentage of our total population with a high school diploma shows that we are educational "underachievers." Furthermore, while a skilled labor shortage projected for the 1990's presents us with an unprecedented opportunity to lift our working poor out of poverty and put welfare dependents into unsubsidized employment, these are the very populations who are most likely to have poor basic skills.

Much of the state's current adult workforce and virtually all of those who should be in the workforce but who are not -- the welfare mother, the high school dropout -- need more and better training using the best curricula and the best professional teaching that our resources can provide. We propose:

- Expansion of workplace, family, and prison literacy programs;
- Creating a task force to develop and propose to the Governor and the 1991 General Assembly a system of tax incentives to encourage investment by business and industry in the basic skills of the workforce; and
- Develop and fund a state jobs training program modeled upon the current federal Job Training Partnership Act to serve more of the economically disadvantaged and working poor.

The recommendations in this report will meet the forementioned challenges. They are reasonable; they are affordable; and, they are necessary.

They can succeed, however, only if we also adopt a fifth initiative and create a permanent Council on Workforce Preparedness, which will oversee the implementation of this strategic plan and give the Governor the policy arm to update constantly this state's response to the challenges that an increasingly dynamic economy will pose. The Commission's hearings and deliberations have shown that North Carolina has no well-defined set of programs to deal with the complex challenges of preparing the workforce for our changing

economy. The public schools and community colleges are recognized as the primary providers of education and training. But workforce development currently depends on operations that involve six state departments and scores of state and federal programs operated by literally hundreds of state and local institutions. At least a dozen states across the country have concluded that an effective approach to workforce preparedness requires a strategic planning capacity.

The new Council being proposed will be led by the quality of public and private leadership that served on this Commission. Its purpose will be to hold North Carolina accountable for the world-class workforce our economy and our people require. Specifically, the new Council will:

- Set and communicate state goals for workforce preparedness to other appropriate councils, commissions, and boards;
- Review, monitor, and assess progress in meeting state goals;
- Promote development of strategic planning for local labor market areas through Private Industry Councils; and
- Develop biennially, working with all appropriate departments, agencies, councils and boards, a strategic plan for workforce preparedness.

Furthermore, the Commission recommends that the new Council oversee the strategic planning process in local communities, utilizing the Private Industry Councils as the mechanism for establishing local workforce preparedness objectives.

Many of the recommendations which we list in subsequent pages require no new funds. Others can be implemented by reallocating present resources. The cost projected over the next biennium for the Commission's recommendations totals \$104,794,480.

INTRODUCTION:

Linking Education and Economic Development

Industries with a future won't depend on physical plants and hardware, which can be duplicated anywhere, for this competitive edge; they'll have to depend on "human software" to succeed.

This paraphrase of Tom Peters, captures the central premise of workforce preparedness. It also signals a profound change in the way business and industry must think about securing their economic future. It demands a reformulation of our state's economic strategy. Simply stated, the performance of our workforce--its competence, flexibility, productivity--will determine North Carolina's economic progress in the 1990's and beyond.

Our economy is being driven by three major trends:

- 1- The changing nature of work;
- 2- The changing skills needed by employers; and
- 3- The changing demography of the workforce.

The key implications of these trends significant to formulating a workforce preparedness strategy are summarized below.

The Nature of Work is Changing. Technology has transformed the way we work, permeating almost every aspect of our economy. Computerization, telecommunications, biotechnology, fiber-optics and other innovations have increased access to foreign markets and foreign products. Today North Carolina's industries and businesses operate in a global economy where they must compete not only with those in neighboring states, but with those in Europe, Asia and Central and South America. A new premium has been placed on the ability to move information and products rapidly and on the flexibility to respond to changing markets.

As competition increases, emphasis on the quality of goods and services has grown. What has come to be known as the "Quality Revolution" is profoundly altering the processes of production and control. **Smarter machines require smarter workers, not only to operate them, but to keep them running efficiently and to reconfigure them for new applications.**

Whole new classes of technicians are being created in high value industries in what some have called the "grey collar revolution." And the vast majority of jobs have become more knowledge-based.

These and related trends require a new kind of thinking about the workforce. From top to bottom, more advanced skills are in demand. Where once capital investment could all but guarantee productivity gains, employers now face an urgent need to invest more in the skills of their workers. **Now more than ever, education and economic development are closely linked,** and the South as a region must confront the consequences of its undereducated populace. The effects of this trend can already be seen. A recent study by the Southern Growth Policies Board, for example, found that **counties in the South that have shown the fastest growth are those with the most educated workforce.** If North Carolina's future economy is to be built on the expansion of higher wage, high value jobs, a bold new initiative to create an educated workforce is essential.

The Jobs of Today and Tomorrow Demand New Skills. These economic trends have resulted in a redefinition of the "basic" skills for work. The core skills remain essential: the ability to read with understanding, to write with clarity, to speak with precision and confidence, and to compute with reliability. Added to these, however, are skills once considered advanced: to think critically and creatively; to recognize and analyze problems and formulate logical solutions; to work effectively with others in teams; to understand how our economy and effective businesses work; and to continue to learn.

Beyond the "new basics" is a wide array of technical knowledge to be mastered and applied. Technical jobs are booming, as are high-skilled service jobs. Most of the fastest growing occupations require post-secondary skill training for entry, and the minimal level of education required for most is 13 1/2 years and rising.

These changes place extraordinary demands on our state, where the lack of basic skills in the workplace is appalling. We rank 49th in the nation in the percent of the workforce with a high school education. In rural counties, only half of the adults have a high school diploma, and many of them lack even high school competencies. This may well be the soft underbelly of our economy.

In a wide variety of technical occupations which are critical to economic development, we lack a basic complement of skilled workers. Both the breadth and depth of the technical workforce is insufficient to sustain development of high value industries. And in many of the most skilled occupations, a large percentage of craft workers will leave the workforce through retirement during this decade.

The Face of Our Workforce is Changing. These deficits in the skills of our workforce are further complicated by important demographic trends. In the 1990's, the U. S. workforce will

grow at a slower rate than at any time since the Depression. This is already creating shortages of workers in many industries. In North Carolina during this decade, our economy is expected to create 760,000 new jobs. Meanwhile, only 550,000 new entrants of prime working age are expected to be available from traditional sources to fill them.

In this environment, all members of the existing workforce will be viewed as a critical resource to be developed. **Many of the new jobs will be filled by minorities, women, immigrants and older workers. Some estimate that between 80% and 90% of the new entrants in the workforce will come from these groups. Yet, these are precisely the groups who tend to be underprepared, both in basic and technical skills.**

This situation presents to North Carolina both a challenge and an opportunity. If we fail to equip such underprepared groups with solid basic and technical skills, we will be unable to support growth in high value jobs. On the other hand, if we succeed, we will achieve significant strides in bringing these groups into the economic mainstream while bolstering our economic competitiveness.

Reaching out to these new workers with effective educational and training programs will challenge both our employers and education systems. Our efforts will need to consider their special problems, diversity of skills levels, and barriers to productive participation in training and work. Issues such as child care, transportation, cost of education and training, and learning styles will need creative responses.

The Workforce Preparedness Strategic Plan

The challenges described in the above are not limited to North Carolina. Every state, indeed every industrial economy, faces similar challenges. This means that **the development of a more skilled workforce is not just a problem to be solved, but an opportunity to be seized.** Those who master the challenges will reap rich economic dividends. Approaching our economic challenges in this constructive way, however, does not occur by accident. It is a consequence of adopting a thoughtful, proactive strategy for workforce preparedness.

The Governor's Commission on Workforce Preparedness believes the following strategic plan seizes the opportunity to take the first step in building a world class workforce for the 21st century. The strategic plan consists of five goals and twelve major strategies. The five goals are:

- 1- Improve the academic, thinking and employability skills of the future workforce.

- 2- Enhance the leadership role of business and industry in public education reform.
- 3- Expand the effectiveness of the state's post-secondary technical training systems.
- 4- Upgrade the foundation of basic skills (broadly defined) of the adult population and the existing workforce.
- 5- Establish a comprehensive and strategic planning system for responding to the impending workforce crisis.

The entire plan looks to accomplishing a number of quantifiable objectives by the end of this century.

Budget Explanation

The budget figures indicate the level of funding that must be achieved in the coming two bienniums if the state is to accomplish its goals of building and maintaining a skilled workforce. Most of the budget projections have been provided by the Department of Public Instruction, the Department of Community Colleges, and other agencies. In making its decisions, the Commission kept in mind our present fiscal difficulties. However, they also were aware that solving the workforce crisis would mean some level of significant investment. The Commission has tried to strike a balance between these two competing forces.

The critical point of this explanation is that the goals, objectives and strategies that follow do not stop at the first or second biennium of this decade. Although we may intend a goal be reached by 2000, the budget only covers the first four years of activities toward that goal. Commitment to the attainment of goals established by the Commission will require substantial budget considerations beyond those first four years of activities.

Furthermore, the Commission recommends that re-allocation of existing resources be considered first for all budget proposals, especially with regard to the proposed public school reforms. Where re-allocation is not feasible, then the Commission recommends that expansion dollars be used.

PROLOGUE TO GOAL 1

One-half of all high school graduates go directly into the workforce each year. The 1989 North Carolina Business and Industry Survey found that a majority of North Carolina employers are dissatisfied with the skill preparation (writing, communications, mathematics and problem-solving) of recent graduates who apply for entry-level jobs. Consequently, many employers no longer believe a high school diploma guarantees proficiency in basic academic skills and are concerned about the availability of skilled labor now and in the future. As the public hearings and other forums have proved, employers are desperately looking for high school graduates who have the knowledge and skills that make them readily educable in job-specific training.

Compounding our problem with ill-prepared high school graduates is the fact that approximately 25,000 students drop out of high school each year before graduation.

The Commission strongly recommends that we improve the academic, thinking and employability skills of the future workforce by achieving and implementing the following objectives and strategies.

WORKFORCE PREPAREDNESS GOAL 1:

**IMPROVE THE ACADEMIC, THINKING AND EMPLOYABILITY SKILLS
OF THE FUTURE WORKFORCE.**

Objectives:

By the year 2000...

- * Increase from 66.7% to 90% the percentage of students who enter high school and graduate.
- * Increase the percentage of students graduating from high school who have demonstrated mastery of the basic skills necessary for productive employment and the capacity to learn.
- * Increase the global competitiveness of the average North Carolina student as measured by international tests in basic academic skills.
- * Increase the percentage of high school students who complete two or more courses in advanced mathematics and who complete two or more courses in advanced sciences.

By the year 1995...

- * Restructure the secondary school curriculum to require every student to complete a focused and rigorous course of study.
- * Increase the expectations of all high school students in educational achievement.
- * Expand the opportunities to assist all students in making the transition from school to work.
- * Increase the career awareness and readiness of every North Carolina high school student.

Strategies:

Strategy 1:

Eliminate the high school general education curriculum and offer two curriculum options by 1994-95: College Preparatory and Technical Preparatory. Both curriculums should emphasize academic excellence.

In support of Strategy 1, implement the following:

Create two demonstration projects in work-based youth apprenticeships (one each in the manufacturing and service sectors) by 1992; and

Require vocational and applied technology teachers to be qualified to teach related academic and job application skills.

Explanation:

Two Curriculum Options. The concept promoted through this strategy is to restructure the current secondary school curriculum to require every student to complete a more focused and rigorous course of study. The basic (or minimum) curriculum for these two options should be parallel while providing more focused alternatives within the two options to meet specific student needs. Both options should place major emphasis on advanced academic skills and the new basics (i.e. teamwork, interpersonal, communications, problem-solving, creative thinking, and leadership). Policies and guidelines should permit students to move freely between the two curriculum options.

The College Preparatory curriculum has been clearly identified by the university system through their college entrance requirements.

The Technical Preparatory curriculum, or Tech Prep (four plus two), pioneered by Richmond County Schools and Richmond Community College, is a program of study focusing on an occupational cluster (a family of jobs) leading to an associate degree. In order to implement Tech Prep, high schools and community colleges must devise coordinated programs of study (articulation agreements). Implementation of the program should be expanded to every community college and high school in the state to correspond with implementing the two curriculum options by 1994-95.

In implementing the Technical Preparatory curriculum, local alternatives in program, time, and methodological structure must be considered to satisfy the learning styles and ability levels of all students. One such alternative could be an Applied Technology curriculum. While this curriculum would not require that a student meet all of the standards established for the Technical Preparatory curriculum, it must have standards which ensure that a student, upon graduation, possesses at least the minimum level academic and vocational skills necessary for initial employment. Normally, this will

require, at minimum, an integration of academic and vocational/applied technology skills.

The two curriculum option recognizes the different learning styles among children. While some students do well learning academic subjects in an abstract, theory-based approach, other students learn better using an applied, hands-on, laboratory-based method of instruction. Many studies show that academic subjects can be taught more effectively when "learning to know" and "learning to do" are linked.

The main costs of implementing the new concept are curriculum modification, staff development for secondary schools and postsecondary staffs, instructional materials and equipment. Funding for expansion of the Technical Preparatory curriculum comes in two phases: planning and implementation. There are an estimated 120 potential partnerships between local schools and community colleges in developing this new course of study. Approximately 80 planning grants would be needed for those local school systems and community colleges which have not begun developing a program with local community colleges. An approximate total of 40 partnerships, which are nearing completion of the planning stage, will need funding to implement the new curriculum.

This new thrust should be reflected in a new name: Vocational and Applied Technology Education.

Work-based Youth Apprenticeship Models. Youth apprenticeship training is the dominant route into the workforce for many European nations. In West Germany, employers train more than two-thirds of German youth in apprenticeship programs that typically last 3 years. Usually, employers provide on-the-job skills training for three to four days a week, with the apprentice attending school for the other one or two days.

In the United States, apprenticeships as a strategy for improving the transition from high school to high-skill employment are beginning to attract attention. The Commission on the Skills of the American Workforce recently called for a national system of preparing young people with the skills which they could acquire in work-based settings as well as in more conventional settings. The rationale for such an approach rests upon the findings that a large number of young people would be better served by a closer integration of school and work.

The Commission believes a work-based youth apprenticeship program offers a variation of the Technical Preparatory curriculum, broadening the alternatives for students to master basic skills.

Funding for the pilots is available through the U.S. Department of Labor's new office of Work-Based Learning, which makes grants for school-to-work apprenticeships. National foundations have also expressed an interest in financing demonstration projects. Funding for a feasibility study and two demonstrations could be met through federal grants and private sector contributions.

Qualifying Vocational and Applied Technology Teachers. Higher academic expectations from general and vocational students and the integration of academics into vocational courses will require higher expectations from vocational teachers. They will have to demonstrate the mastery of both the technical and academic competencies needed to meet the new challenges. The Commission proposes that vocational and applied technology teachers be certified to teach academics using an applied, hands-on, and occupationally-related approach. Raising certification standards (as well as integrating academics into vocational courses) for these teachers will also enhance the image of vocational education in the education community.

Strategy 2:

Support the State Board of Education's objective to upgrade high school graduation requirements.

In support of Strategy 2, implement the following:

Certify that every high school graduate has mastered the basic skills necessary for continued learning in the workplace and higher education; and

Issue a mastery skills achievement profile with each high school diploma, and publicize the availability of the profile to potential employers.

Explanation:

Increase Graduation Requirements. A globally competitive workforce demands that we raise the expectations of all students by requiring them to possess the math, science and communications skills needed to function in the workplace. These are the skills which drive technological innovations. Furthermore, every student should have knowledge of and be comfortable with technology. Many new jobs require workers to interact with mechanical and electronic equipment. A lack of scientific and technological understanding has precluded many students, women and minorities in particular, from pursuing careers in scientific and technical fields. Yet, these are the segments of the population we will

have to depend upon to fill job vacancies in technical careers in the future.

The Commission supports the State Board of Education's objective to increase high school graduation requirements for all students. Presently, high school students are required to complete 20 units in which 11 units are specified: 4 units in English; 2 units in mathematics; 2 units in science; 2 units in social studies; 1 unit in physical education and health; and 9 electives.

Effective with the graduating class of 1994-95, graduation requirements should include additional units in mathematics and science, and all students should be expected to take Algebra I and Biology. In addition, the State Board should consider adding 2 units in the Technical Preparatory curriculum. In the new information and technological era, all students (including the college-bound) must have a firm grounding in and feel comfortable with higher mathematics, science and technology.

Certify Mastery of Basic Skills. The current competency test is given in three tests (reading, mathematics and language) and a moratorium is in place on a fourth (writing). The difficulty level on the high school competency test is modest, at best. Almost everybody passes, even those who employers claim have serious deficiencies in basic skills. Some have equated the difficulty of the current exam with a sixth-grade level of competency. Certifying that each graduate has demonstrated a mastery of basic skills goes hand-in-hand with increasing the graduation requirements of all high school students and reinforcing the value of a diploma.

No student should receive a high school diploma who has not demonstrated mastery in the academic subjects required for graduation. Students should also demonstrate mastery in the new basics (i.e., the capacity to learn, think, communicate, and work with others).

The Commission strongly recommends that the State Board of Education develop graduation achievement exams that certify high school graduates as having the mastery of skills that allow for continued learning in the workplace and in postsecondary education. It is further suggested that the State Board look at providing students the option of taking these exams at different levels of difficulty. If the exams are closely tied to the curriculum, the connection between an individual's scholastic effort and examination performance is obvious to everyone. Furthermore, if separate scores are reported for each subject, a prospective employer can choose to consider those scores which are relevant for

his particular positions. The Commission also suggests that the State Board of Education consider the recommendation made by the National Commission on the Skills of the American Workforce regarding the development of a series of performance based examinations for certification of mastery in basic skills.

Mastery Skills Achievement Profile. In conjunction with requiring achievement exams for graduation that are more difficult, every graduate should be provided a mastery skills achievement profile with his high school diploma. The availability of such a profile may encourage employers to begin making hiring decisions based on academic proficiency and rewarding students who excel with higher pay. If academic excellence becomes the determining factor for better jobs with higher pay, then it could provide the incentive to encourage more young people to work for better grades.

In addition, the State Board of Education should publicize the availability of the mastery skills achievement profile to all employers. The Commission recommends that the State Board of Education consider a campaign utilizing local chambers of commerce to inform employers on the availability of the profile.

Strategy 3:

Require mandatory school attendance to age 18 or until graduation beginning in 1993-94 and require satisfactory progress toward graduation (a) of all 16-18 year olds to obtain a driver license, and (b) of all 12-18 year olds to obtain a work permit.

In support of Strategy 3, implement the following:

Expand alternative high schools and approaches to education.

Explanation:

Compulsory Attendance. The compulsory attendance laws in our state should reflect our desire to have every student graduate from high school. The compulsory attendance laws in North Carolina currently require students to remain in school only to age 16, thus allowing many students to drop out before graduation. The Commission feels the compulsory attendance age should be changed, beginning in 1993, to require students to remain in school until age 18 or until graduation.

Restricting Driving Privileges. One of the leading assumptions for students dropping out of high school is

the desire to own and drive an automobile. The overriding goal of many young people (on turning 16) is earning enough money to realize that dream. More often than not, attendance and academic performance suffer. Driving an automobile should be viewed as a "privilege" and not a "right." We should communicate to our young people that certain privileges necessitate earning them. Consequently, all 16 to 18 year olds should not be issued a driver license unless they can show one of the following:

- A high school diploma or documentation that proves they are enrolled and demonstrating satisfactory academic performance in a secondary school;
- A Graduate Educational Development certificate or documentation that proves they are making satisfactory progress toward a GED certificate; or
- An exemption from this requirement, approved by the local school superintendent, due to circumstance beyond the student's control.

Currently, nine Southern states (Arkansas, Florida, Kentucky, Louisiana, Mississippi, Tennessee, Texas, Virginia, and West Virginia) have passed legislation to deny driver licenses to high school dropouts, and Kentucky has gone further by also linking satisfactory progress while in school as a criteria for students to hold a driver license.

The cost associated with increasing the compulsory age includes the cost of implementing the driver's license restriction. The Commission, however, suggests that we may want to consider legislation presently being considered by the state of Florida, which would increase the licensing fee by \$1 and earmark those funds for the program.

Restricting Work Privileges. The same reasoning used for placing conditions on procuring a driver's license applies in the case of work permits. A work permit should be restricted for all 12 to 18 year olds under the same requirements for receiving a driver's license.

An example of this is the New Hampshire Youth Employment Law which was amended to require a satisfactory level of school achievement as a prerequisite for receiving a work permit. According to the New Hampshire law, if a satisfactory level of performance is not maintained, then the permit is revoked.

Alternative High Schools and Approaches. Studies show that the main reasons given by students who drop out are

dislike of school and too many absences or work related responsibilities. Alternative high schools are intended to offer at-risk students a non-traditional approach leading to high school graduation. If we raise the compulsory attendance age, require satisfactory school performance for a driver's license and a work permit, and increase graduation requirements, then we need to provide alternative settings for potential dropouts that address their specific needs.

A program called Comprehensive Concept is one of the more noteworthy programs being piloted in 14 high schools across North Carolina. The Comprehensive Concept is an extended day program that takes on two additional class periods. The focus is on drop out prevention and keeping at-risk students in school. Some of the major components are: identification of at-risk students; inter-disciplinary teams who focus on potential dropouts; reduction in class sizes; extension of the school day to allow for flexibility for students who work; a disciplinary component that includes assigning a mentor; and networking of school and community resources in order to better serve the at-risk population.

Another example of an alternative school is a "school within a school" such as the Business Academy at Myers Park High School in the Charlotte/Mecklenburg Public School System. Others are a split shift program between a high school and community college and programs offered by Community Based Organizations. There are also numerous education programs offered by industry such as the General Motors Training Center, the Blue Cross and Blue Shield Company program offered at Tarrant High School, Tarrant, Alabama, and the Boren Brick Company program offered in the Guilford County Schools.

The costs for implementing alternative high schools are within current resources.

Strategy 4:

Require every high school to develop a comprehensive career development and guidance program by 1994-95, to ensure that all high school students can make informed curriculum and career decisions.

In support of Strategy 4, implement the following:

Identify and coordinate existing career information resources, including the business and industry community in every high school and incorporate these resources into the career development program;

Provide staff development to all high school counselors and teachers through an integrated approach to meet the career education needs of all students; and

Update and expand the Job Readiness Training Program for non-college bound students.

Explanation:

A Comprehensive Career Development and Guidance Program. High school students, especially the non-college bound student population, receive insufficient guidance in planning their education and future career choices. Many students wander aimlessly throughout their high school years without direction or goals for their adult careers. Many children rely on parents and family for career information and advice. Unfortunately, most parents, especially the economically disadvantaged, have limited information about career possibilities. All children should be aware of and should explore various career options and should receive the skills and information necessary to make educational and career decisions.

The North Carolina public schools should develop a program that will help students to analyze and evaluate their abilities and interests, provide advice on career possibilities and the educational requirements necessary for occupations of interest, and as far as possible, inform the student about up-to-date labor market information. The program should utilize existing academic, vocational and guidance personnel, to enable every student to choose among curriculum options by the end of the 8th grade, with the consent of his parents, and an opportunity to re-evaluate that decision at the end of the 10th grade.

While there are different models available, the National Career Development Guidelines developed by the National Occupational Information Coordinating Committee is one of the more promising models. The Guidelines are designed to insure that all students, especially the at-risk, have appropriate job and career planning prior to their leaving school. The local effort required for implementing the Guidelines would only allow for the program to be started in one-third of local school systems in the 1991-93 biennium and another one-third in the 1993-95 biennium. Funding for this model would include such things as staff development and instruction materials.

Career Information Resources. All high schools should identify, coordinate and utilize existing career information resources. Career information systems and

materials should be coordinated and provided in career centers. Business community resources should be incorporated into the career development and guidance program of every high school, both to support in-school programs and to develop community-based experiences. The private sector can be instrumental in providing volunteer counselors, mentors and shadowing opportunities, as well as career information, job placement and referral services.

Staff Development. High School Counselors, with a variety of responsibilities, have limited time for career and job counseling, and it is frequently a low priority. Those students most effected are the non-college bound and those at risk. Furthermore, high school counselors and teachers (who are college educated and thus college oriented) are poorly equipped to counsel these students in vocational and technical courses and careers. In-service training for counselors, as well as teachers, would be required in order to integrate a career development program into every school and to provide every student with the information and skills necessary to make curriculum and career choices.

Job Readiness Program. The Job Readiness Training Program, which started in 1982, has been institutionalized in 70 North Carolina High Schools. The program is designed to help non-college bound students by providing them (1) pre-employment skills information on topics such as punctuality, interviewing, and employer expectations; (2) opportunities for career exploration; and (3) basic skills development linked to job-related experience. The program should be evaluated for best practices and in regard to other existing programs with the intent of expanding a revised program to at least 40 other high schools beginning in 1993.



EDUCATION STUDY COMMISSION

Subcommittees A & B: Remediation, Dropout Prevention,
Concurrent Enrollment Encouragement,
Joint Use of Resources

FINDINGS AND RECOMMENDATIONS

December 12, 1990

1. Dropout Prevention:

Findings:

- o The most appropriate place to serve dropouts is in an alternative high school program.
- o SB 2 allows more flexibility in use of dropout prevention funds.
- o Better follow-up is needed for high school dropouts.
- o There is limited information on the impact of longer compulsory attendance, driver's license tied to staying in school, and after school employment on public school students.

Recommendations:

- o Direct public schools to explore additional alternative high school programs with SB 2 flexibility to reduce dropouts.
- o Direct public schools and community colleges to provide more accurate, comprehensive and timely data on high school dropouts, alternative placements, progress, and follow through in alternative programs. Standard measure of accountability is needed.
- o Policy research is needed on the issues of longer compulsory attendance, driver's license tied to staying in school, and limiting after school employment hours from those states that have implemented changes in these areas.
- o Current compulsory attendance law needs to be evaluated to assess whether it is being enforced.

2. Remediation

Findings:

- o The Community College and University systems have the ability to develop exemplary remediation agreements such as those at Central Piedmont Community College and UNC-Charlotte and Pitt Community Community and East Carolina University.
- o Local leadership and proximity to each other's campuses are important factors in developing successful remediation cooperative agreements.
- o UNC system has developed preliminary information reporting system to feedback information to public schools on progress of their students.

Recommendations:

- o Direct the Community College and University systems to continue progress in the area of local remediation cooperative agreements. An example of one that may have an excellent chance to succeed is between Cape Fear Community College and UNC-Wilmington.
- o Direct the Community College system to develop an appropriate reporting system to enable local community colleges to provide annual performance data to local high schools on their students enrolled in community colleges.

3. Joint Use of Resources

Findings:

- o There is significant use of public school facilities by community colleges, primarily through the community schools program and extension course offerings.

- o Many basic skills faculty in community colleges are public school employees.
- o Few community college literacy funds are used to pay costs associated with using public school buses to transport literacy students because there is already a demand for more workplace literacy sites and limited funds are available.
- o State Board of Community Colleges is studying the definition of appropriate satellite and off-campus facilities. A grant was provided to study the staffing needs at a satellite as opposed to the cost of starting an entirely new community college.
- o The community colleges are developing numerous regional programs in accordance with the position paper adopted by the State Board of Community Colleges. The inexpensive programs have been more successful as regional models.
- o The Commission on the Future of the Community College System recommended the development of regional "specialized technology centers" to provide cost effective training for the expensive emerging training needs.
- o Year round school pilot programs have been successful in making better use of school resources.

Recommendations:

- o Direct the State Board of Community Colleges to fund and develop a pilot project to model alternative transportation methods, including the use of public school buses.
- o Authorize the State Board of Community Colleges to develop financial incentives, such as special funding ratios, to encourage the development of regional programs.
- o Support the State Board of Community Colleges request to fund specialized technology centers as a cost-effective method for job training.
- o Support recodification of Vocational Textile School in Article 6 in G.S. 115-D which includes renaming it as the Center for Applied Textile Technology.
- o Support the expansion of the year round school programs.



RECOMMENDATIONS FROM SUBCOMMITTEE D

EQUITY IN FUNDING

RECOMMENDATION ADDRESSING THE 'SMALL SCHOOL/SMALL SYSTEM ISSUE. The committee recommends that the Legislature appropriate a minimum of \$11,900,000 for small school systems, those of 3,000 or fewer students, to provide an educational program roughly equivalent to the State-supported program offered in larger school systems. The Legislature shall appropriate these funds only with the assurance that that only the needy small systems receive the funds. The Legislature shall determine the methodology to determine need.

RECOMMENDATION ADDRESSING SCHOOL CONSTRUCTION

The committee recommends that the Legislature use the \$10,000,000 per year currently appropriated to the State Critical Needs Fund and the approximately \$40,000,000 currently appropriated to the Public School Building Capital Fund to enable the State to issue general obligation bonds to finance school construction. The Legislature shall determine the formulae for distribution, including the match to be required by each particular county.

RECOMMENDATION ADDRESSING ACROSS-SYSTEM OPERATION EQUALIZATION
The committee recommends further intensive study of this issue and also recommends that any equalization formulae that are developed by such a study not be at the expense of high-wealth systems.

RECOMMENDATIONS ADDRESSING COLLATERAL ISSUES THAT FORCE NEEDIER SYSTEMS EVEN FURTHER BEHIND

A. The committee recommends that the Legislature appropriate \$16,000,000 each fiscal year to reduce the impact of mandated expenditures for Aid to Families with Dependent Children, Medicaid, and Special Assistance for Adults. This ensures that no county would be required to match State and federal welfare expenditures at a rate above the State average per residents, and would free up county money for schools.

B. The committee recommends that the Legislature require fiscal impact statements for proposed changes in State mandates that have the potential to impose financial burdens on county governments, especially with regards to the special impact on needy counties.



APPENDIX D
Subcommittee Members; Charges to Subcommittees



EDUCATION STUDY COMMISSION
SUBCOMMITTEE ASSIGNMENTS

A - Remediation; Dropout Prevention; Concurrent
Enrollment Encouragement

Barbara Tapscott - Chair
Representative Fred Bowman
Joseph Kaylor
C. D. Spangler

B - Joint Use of Resources

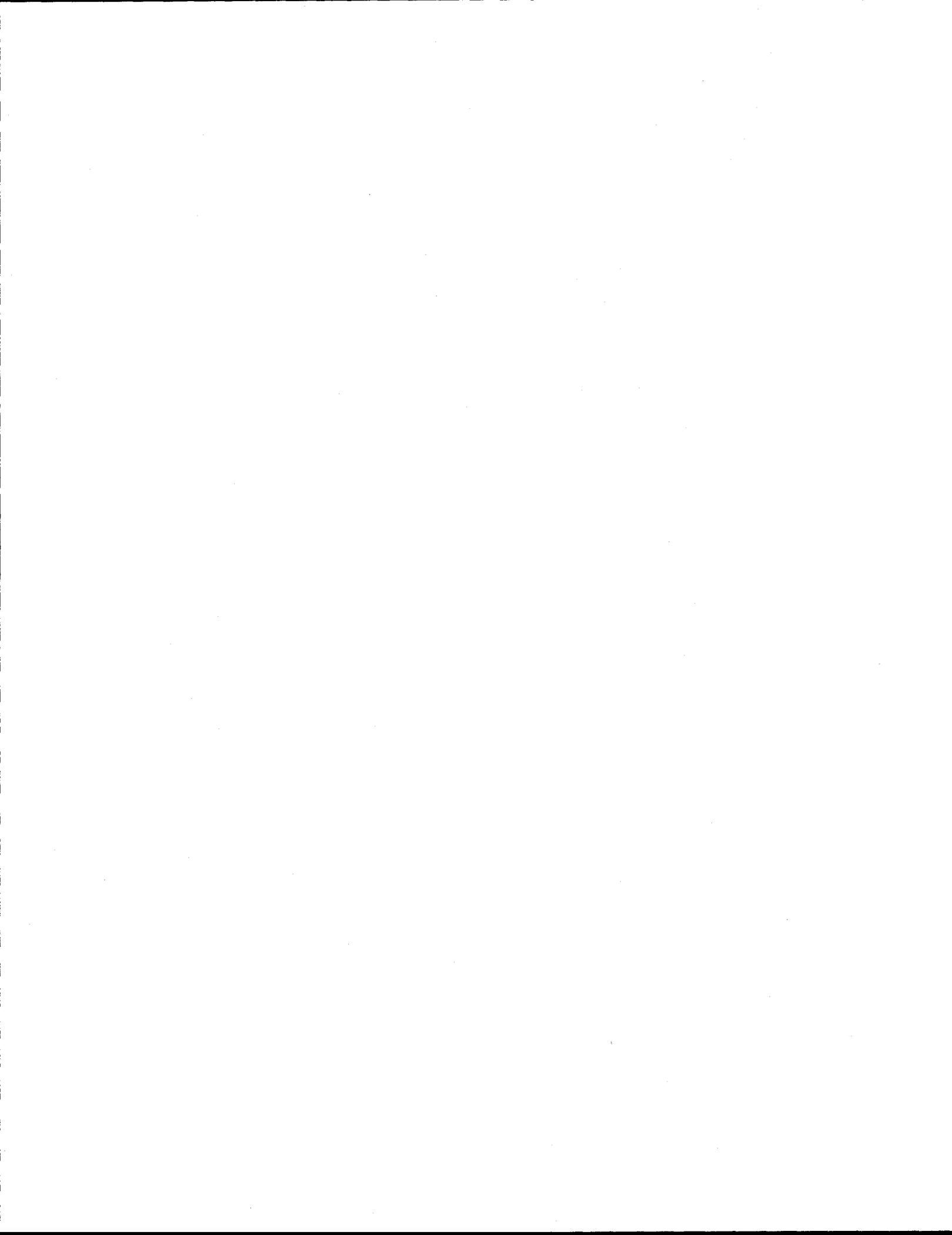
Representative Lois Walker - Chair
Carl Eagle
Darrell Frye
Jane Johnson

C - Higher Education Encouragement

Bob Scott - Chair
Howard Haworth
Sandra Livesay
Lee Monroe

D - Equity in Opportunity

Senator Richard Conder - Chair
Pam Brewer
Myra Copenhaver
Bob Etheridge
Senator Bill Martin
Linwood Parker



EDUCATION STUDY COMMISSION
SUBCOMMITTEE ISSUES

SUBCOMMITTEE A: REMEDIATION; DROPOUT PREVENTION; CONCURRENT
ENROLLMENT ENCOURAGEMENT

ISSUES:

- (1) Establishment of minimum standards for remediation and remediation reduction by cooperation among systems. The Subcommittee should receive a progress report and should receive the final report of the study mandated by Section 37 of Senate Bill 43. (See Special Provision IV, page 47, 'Background.')
- (2) Public school dropout prevention by Community College assistance, to include consideration of:
 - a. Tracking;
 - b. Co-location, especially as regards the placement of satellite community college campuses;
 - c. Evaluation of all current projects, including the dual enrollment projects, the 'Tech Prep' projects, and the 'Two Plus Two' projects, to determine if these are working and how to improve them; and

- d. Teaching of public school students' drivers' education by community colleges and linking the issuance of permanent licenses to public school attendance and/or graduation.
- (3) Concurrent enrollment encouragement among the systems, to include consideration of:
- a. Evaluation of current programs and projects, again including the "Huskies Bill" projects and Dual Enrollment projects;
 - b. Transferability of credits. The Subcommittee and the full Commission should receive a progress report and the full report of the study mandated by Section 26 of Senate Bill 43. (See Special Provision III, page 46, 'Background.');
 - c. Regional cooperation. The Subcommittee and the full Commission should receive a progress report and the final report of the study mandated by Section 25 of Senate Bill 43. (See Special Provision II, page 45, 'Background.')

SUBCOMMITTEE B: JOINT USE OF RESOURCES

- (1) Satellite campus expansion evaluation.
Subcommittee and full Commission should receive a progress report and the final report on the study mandated by Section 23 of Senate Bill 43. (See Special Provision I, page 45, 'Background.')
- Consideration of this issue necessarily requires repetition of the similar "co-location" issue assigned to Subcommittee A's study of dropout prevention;
- (2) Cooperative purchasing, funding, and provision of public school, community college, and university scientific and technical equipment, faculty, and facilities;
- (3) Examination of innovative ways to share appropriate faculty resources among the systems;
- (4) Literacy transportation. The Subcommittee and the full Commission should receive a progress report and the final report of the study mandated by Section 86 of Chapter 752 of the 1989 Session Laws. (See Special Provision V, page 49, 'Background.');
- (5) Community college use of public school campus after hours, on week-end, and in the summer. This issue will involve an evaluation of current public school

after hours, weekend, and summer use. It will also, probably lead to an important but off-topic discussion of year-round public schools, including a progress evaluation of Wake County's (and other's) year-round project and a reconsideration of the 'extended year' experiment that was not continues.

SUBCOMMITTEE C: HIGHER EDUCATION ENCOURAGEMENT; ARTICULATION

- (1) 'Earn to Learn' for high school students wanting to go to higher education as well as high school graduates wanting to go to higher education, both in community colleges and universities;
- (2) High school/ community college/ university cooperative programs that allow:
 - a. Advanced placement;
 - b. Dual enrollment of public school students in universities and community colleges;
 - c. Tripartite academic and career counselling;
 - d. Sharing of equipment, faculty, and facilities.
- (3) 'Tech Prep' and 'Two Plus Two' projects.
- (4) Reevaluation of vocation education.
- (5) Establishment of joint educational policy goal that will make clear all systems' dedication to and responsibility for the education of all North Carolinians. This policy goal shall include measuring the the success of public school, community college, and college and university education by the increase of the number of students going on to postsecondary education, the reduction of the number of students in ppostsecondary education who need remediation, and the increase of

retention rates and graduation rates in secondary
and postsecondary education.

SUBCOMMITTEE D: EQUITY IN OPPORTUNITY

- (1) Educational equity grant program- Senate Bill 751.
(See 'Authorizing Legislation' section of notebook.);
- (2) Encouragement of minority participation in and graduation from postsecondary education.
- (3) Equity in funding.



APPENDIX E
List of People Appearing before Commission



VISITOR REGISTRATION SHEET

DATE 1-18-89

Education

(name of commission)

VISITOR: Please sign below and return to clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Bernard Allen	NCAE
May Walker	
Charles E Russell	Pitt Community College, Greenville
B. D. Williams	NCSU, College of Education
Werner B. Zosman	Public Instruction / State Board Relations Office
Mike Latta	State Council on Vocational Education
Ralph Kinard	TAP / AP
John P. Ross	Greensboro
JOHN HENLEY	INDEP. COLLEGES
J. R.
James Ross	NC State for the Policy Research
[Signature]	
Ellen ...	NC Assoc of Teachers
Parker Chesson	College of the Atlantic
Bent Curran	Vance Granville Comm. College
Cynthia Coen	NCCBZ
Ginn Davis	Public School Forum
John Cratty	NCSBA
Mark Stewart	N.C. Federation of Teachers
BE MENDY HENDERHILL	N.C. Urban Community College Trust
Pat Vance	Public Instruction
Raymond Dawson	E-1 UNC

over

VISITOR REGISTRATION SHEET

DATE 2/15/90

Education

(name of commission)

VISITOR: Please sign below and return to clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Hops Williams	NC Center for Post. High Education
William Woodcock	NCH EOT
Frederic Robinson	UNC
J. J. Darland	NC advisory Council - Voc Ed
Bane Washburn	NC DPI / State Bd of Ed
Pat Vance	Dept of Public Instruction
Jan Crabb	NC SBA
NINA C FREEMAN	PAE
Julia Brown	NCAE
R. D. III. Miller IV	UNE
Ed Wilson	DCC
Hal Miller	DCC
Osborn News	Public School Forum
Glen Maynard	NCATA
Thomas Lips	NC Center for Public Policy research
James W. Watts	DCC (Pub & Study Comm. Newsletter)
John S. Goff	Brown Commission

VISITOR REGISTRATION SHEET

DATE 3/14/90

Education

(name of commission)

VISITOR: Please sign below and return to clerk.

NAME

FIRM OR STATE AGENCY AND ADDRESS

Cynthia Green	NCCBI
Rob McMillen Jr	VNC
Ralph Kimel	TAP/AP
Nell Easter	Charlotte, Forest Schools
Larry Sheppis	Char. Meck. Schs.
James Kamaust	LITVNC & OF NC
Jan Crutt	NC SBA
Op Ann Morris	THE FORUM
Sarah Stewart	N.C. Federation of Teachers
Edward Wilson Jr	NC Dept. of Community Colleges
James L. Storn	NC Dept. of Community Colleges
Charles Frank Young	North Community College
Julia Cross	NCAE
Glen Marnett	NEA 880C N TEACHERS ASS.
Susan Anderson	State Budget
Neil Percell Jr	West Conn. Coll-
David E. Patterson	AP
Virginia Fox	Mayland Community College
William G. Ziffel	Mayland Community College
Ann Thompson	NC Dept. of Public Safety
Priscilla Lambert	N.C. VA

APPENDIX F
Legislative Proposals



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

D

91-LFU-43(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Drop-out Prevention.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE STATE EFFORT TO PREVENT DROPPING OUT OF SCHOOL
3 BEFORE GRADUATION.

4 The General Assembly of North Carolina enacts:

5 Section 1. The State Board of Education shall encourage
6 local units to explore alternative programs with Senate Bill 2
7 flexibility under the Performance-Based Accountability Program,
8 to reduce dropouts.

9 Sec. 2. The Department of Public Education and the
10 State Board of Community Colleges shall adopt rules and
11 procedures to provide more accurate, comprehensive, and timely
12 data on high school dropouts, alternative placements, progress,
13 and follow-through in alternative programs, shall require that
14 local school administrative units and the institutions of the
15 Community Colleges system comply, and shall use a standard
16 measure of accountability.

17 Sec. 3. The Department of Public Instruction shall:
18 (1) Conduct policy research on the issues of longer
19 compulsory attendance, on the tying of the driver's
20 license to staying in school, and the limiting of
21 after-school employment hours, fro those states
22 that have implemented such changes; and

1 (2) Direct the Department of Public Instruction to
2 reevaluate current attendance law to assess whether
3 it is being adequately enforced.
4 Sec. 4. This act becomes effective July 1, 1991.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

D

91-LFU-44(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Remediation.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE STATE EFFORT TO PROVIDE REMEDIATION.
3 The General Assembly of North Carolina enacts:
4 Section 1. The State Board of Community Colleges and
5 the Board of Governors of The University of North Carolina shall
6 continue progress in working towards cooperative agreements for
7 the provision of local remediation.
8 Sec. 2. The State Board of Community Colleges shall
9 develop an appropriate reporting system to enable local community
10 colleges to provide annual performance data to local high schools
11 on their students that enter community colleges.
12 Sec. 3. This act becomes effective July 1, 1991.





GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

D

91-LFU-46(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Tech Prep..

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT 'TECH PREP' STATEWIDE.
3 The General Assembly of North Carolina enacts:
4 Section 1. Of the funds available from federal funds to
5 the Department of Public Education and the Department of
6 Community Colleges for vocational education for the 1991-93
7 fiscal biennium, the sum of \$150,000 for the 1991-92 fiscal year
8 and the sum of \$150,000 for the 1991-93 fiscal year shall be
9 allocated to the North Carolina Tech Prep Leadership Development
10 Center at Richmond Community College for assistance to local
11 education agencies and community colleges to implementing 'Tech
12 Prep' across the State.
13 Sec. 2. The remaining funds available from federal
14 funds to the Department of Public Education and the Department of
15 Community Colleges for vocational education for the 1991-93
16 fiscal biennium shall be used to provide local implementation
17 grants to establish and operate 'Tech Prep' programs in the
18 public schools statewide. These grants shall be provided to
19 local school units that have a plan meeting the standards of the
20 State Board of Education and the State Board of Community
21 Colleges.
22 Sec. 3. This act becomes effective July 1, 1991.



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

D

91-LFU-47(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Higher Education Encouragement.

(Public)

Sponsors: .

Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ENCOURAGE HIGHER EDUCATION IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. The State Board of Community Colleges shall ensure that each community college with college transfer or associate degrees have articulation agreements with at least one four-year college in North Carolina.

Sec. 2. The State Board of Education shall include the availability of advanced placement courses and increases in the number of students successfully completing these courses as factors to be used in assessing school system performance.

Sec. 3. The State Board of Education shall expand the advanced placement program, to assure the availability of advanced placement courses for every qualified student, considering the following options:

- (1) Using funds for the academically gifted for advanced placement;
- (2) Providing training for advanced placement teachers;
- (3) Providing financial incentives to school systems for increases in participation in advanced placement;
- (4) Removing student barriers by paying advanced placement exam costs.

1 Sec. 4. The State Board of Education shall fund the
2 full implementation of pre-school programs for 'at-risk'
3 students.

4 Sec. 5. The Board of Governors of The University of
5 North Carolina, the State Board of Education, and the State Board
6 of Community Colleges shall work closely with elementary schools
7 to provide special help with language and mathematics skills for
8 young students.

9 Sec. 6. The Board of Governors of The University of
10 North Carolina, and the State Board of Community Colleges shall
11 provide earlier college contacts for a broader range of students,
12 in order to increase their considering of campus environments and
13 their awareness of college opportunities. Local school
14 administrative units shall cooperate.

15 Sec. 7. The Board of Governors of The University of
16 North Carolina shall expand its Pre-College Program in
17 Mathematics and Science to reach more students geographically and
18 to reach a broader base of students.

19 Sec. 8. The State Board of Education, the State Board
20 of Community Colleges, and the Board of Governors of The
21 University of North Carolina shall consider efforts to provide
22 earlier linkage of testing with those skills needed for college
23 entry, as linkage of colleges and public schools in the 'mastery
24 of skills' assessment process is critical for this concept's
25 success.

26 Sec. 9. The State Board of Community Colleges and the
27 Board of Governors of The University of North Carolina shall
28 develop better transferability of courses and linkage of programs
29 between community colleges and four-year colleges and
30 universities, to enhance increased transfers from community
31 colleges to four-year colleges and universities.

32 Sec. 10. This act becomes effective July 1, 1991.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

D

91-LFU-50(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Equity in Education Funding.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR IMPROVEMENT IN THE FUNDING OF PUBLIC
3 EDUCATION..

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General fund
6 to the Department of Public Education the sum of \$11,900,000 for
7 the 1991-92 fiscal year and the sum of \$11,900,000 for the 1992-
8 93 fiscal year, for small needy school systems, those of 3,000 or
9 fewer students, to provide an educational program roughly
10 equivalent to the State-supported program offered in larger
11 school systems. The methodology to determine need and the
12 distribution formula shall be set in the Current Operations
13 Appropriations Act of 1991.

14 Sec. 2. The \$10,000,000 each fiscal year of the 1991-93
15 fiscal biennium currently appropriated to the State Critical
16 Needs Fund and the approximately \$40,000,000 currently
17 appropriated to the Public School Building Capital Fund shall be
18 used to enable the State to issue general obligation bonds to
19 finance school construction. The methodology to determine the
20 distribution formula, including the match to be required by each
21 particular county, shall be set in the Current Operations
22 Appropriations Act of 1991.

23 Sec. 3. There is appropriated from the General Fund to
24 the Department of Human Resources, Division of Social Services,

1 the sum of \$16,000,000 for the 1991-92 fiscal year and the sum of
2 \$16,000,000 for the 1992-93 fiscal year, for the State Public
3 Assistance Equalization Fund, to reduce the impact of mandated
4 expenditures for Aid to Families with Dependent Children,
5 Medicaid. and Special Assistance for Adults.

6 Sec. 4. (A section will be inserted, amending Chapter
7 120 to insert a provision requiring fiscal impact statements for
8 proposed changes in State mandates that have the potential to
9 impose financial burdens on county governments, especially with
10 regards to the special impact on needy counties.)

11 Sec. 5. This act becomes effective July 1, 1991.

Education Study Commission
 Into The Next Decade A Program
 For School Construction *(explaining the bond proposal included in legislative Proposal 6)*

<u>Division of Counties by Quartiles</u>	<u>N.C. Bond Funds</u>	<u>County Match</u>	<u>Total Building Fund per County</u>
First Quartile	4,000,000	8,000,000	12,000,000
Second Quartile	6,000,000	6,000,000	12,000,000
Third Quartile	8,000,000	4,000,000	12,000,000
Fourth Quartile	<u>12,000,000</u>	<u>-0-</u>	<u>12,000,000</u>

Total State Expenditure

First Quartile	4 million X	25 counties	100 million
Second Quartile	6 million X	25 counties	150 million
Third Quartile	8 million X	25 counties	200 million
Fourth Quartile	12 million X	25 counties	<u>300 million</u>
Total State Fund			750 million
Bond Issue 93-94			500 million
Interest 1993,1994,1995			70 million
Payments to Fund 91-92			50 million
92-93			50 million
93-94			<u>50 million</u>
			720 million

Thirty million needed to complete full funding of program.

Total County Match

First Quartile	8 million X	25 counties	200 million
Second Quartile	6 million X	25 counties	150 million
Third Quartile	4 million X	25 counties	100 million
Fourth Quartile	-0- X	25 counties	<u>-0-</u>
			450 million
Total Construction Program			1.2 billion

1958